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ABSTRACT

This General Accounting Office (GAO) report provides information on school officials' selection of students for the chapter 1 program of the Education Consolidation and Improvement Act of 1981. The following was determined: (1) how chapter 1 children were selected; (2) whether they met Federal, State, and local selection requirements; and (3) how compliance with these requirements was assured. Results indicate that all 51 State agencies used standardized test scores to some extent to choose participants. GAO found few errors in the choice of students to receive chapter 1 reading services. In the 11 districts relying mainly on test scores, nearly all placement decisions met standards based on the district's applicable criterion or reasonable professional judgments by school officials. In the six districts using additional selection factors, few indefensible placements were found. State agencies monitored compliance with chapter 1 requirements chiefly by reviewing districts' applications for funds and making site visits of limited frequency and duration. During the school year 1983-84, 21 State agencies reduced site visits because of cuts in administrative funds. The report includes an analysis of the findings and extensive appendices with tables, charts, and a copy of the State agency questionnaire and responses. (Author/PS)

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United States General Accounting Office 413-89

GAO

Report to Congressional Requesters

January 1987

ED281922

COMPENSATORY EDUCATION

Chapter 1 Participants Generally Meet Selection Criteria

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Office of Educational Research and Improvement
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GAO

United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

B-224040

January 30, 1987

The Honorable Augustus F. Hawkins
Chairman, Committee on Education and Labor
House of Representatives

The Honorable Don Edwards
Chairman, Subcommittee on Civil and
Constitutional Rights
Committee on the Judiciary
House of Representatives

This report responds to your request for information on school officials' selection of students for the largest federally funded elementary and secondary education program, authorized by chapter 1 of the Education Consolidation and Improvement Act of 1981.

We are sending copies of this report to the appropriate congressional committees; the Secretary of Education; the Director, Office of Management and Budget; each state department of education; and other interested parties.

Richard L. Fogel
Assistant Comptroller General

Executive Summary

Purpose

Congressional concern about whether the proper (i.e., neediest) children are selected for a $3 billion federal compensatory education program prompted this review. Under chapter 1 of the Education Consolidation and Improvement Act of 1981, the Congress sought to free school officials of unnecessary federal supervision, direction, and control of its largest aid program to elementary and secondary schools. This program, formerly known as title I and started in 1965, funds supplemental reading and mathematics classes for educationally needy children in poor areas.

Under chapter 1, Department of Education oversight was cut and some of the previous regulations eliminated. Yet despite congressional cuts in their administrative funds, the act still requires states to ensure that school districts meet applicable requirements for determining poor areas and choosing the neediest children.

In response to a request by the chairmen of the House Committee on Education and Labor and the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary, GAO determined

- how chapter 1 children were selected;
- whether they met federal, state, and local selection requirements; and
- how compliance with these requirements was assured.

Background

In school year 1983-84, the focus of GAO's review, about 5 million pupils took part in chapter 1 projects run in 14,000 of the nation's 16,000 school districts. According to the act, a district must (1) identify school attendance areas with the greatest concentrations of poor children, (2) identify educationally needy students within these areas, and (3) select the neediest. But there are no specific criteria that all state and local agencies must use to select participating schools or students.

GAO reviewed records of 8,218 second- through fourth-graders in 58 schools, 17 school districts, and eight states. Although not representative of the nation, these schools and districts offered diverse characteristics for review. To determine if chapter 1 reading participants were properly selected, GAO used state and/or locally established selection criteria. GAO also sent a questionnaire to 51 state agencies (including the District of Columbia) to learn how they assured compliance with selection criteria in school year 1983-84.

Results in Brief

All 51 state agencies said they used standardized test scores to some extent to choose participants. In comparing educators' selection decisions with the established criteria in 58 schools, GAO found few errors in the choice of students to receive chapter 1 reading services. In the 11 districts relying mainly on test scores, nearly all placement decisions met standards based on the district's applicable criterion or reasonable professional judgments by school officials. In the six districts using additional selection factors, GAO analyzed only test scores and found few indefensible placements.

State agencies said they monitored compliance with chapter 1 requirements chiefly by reviewing districts' applications for funds and making site visits of limited frequency and duration. Yet, during school year 1983-84, 21 state agencies (including 4 visited by GAO) said they reduced site visits because of cuts in administrative funds.

GAO's Analysis

Reliance on Test Scores

Of the 17 school districts GAO reviewed, 11 used standardized test scores as the primary criterion for choosing chapter 1 participants, while 6 used additional criteria as well. (See app. V.) Districts focusing mainly on scores used various test score cutoffs—ranging from the 20th to the 50th percentile—to identify educationally needy students. To select the neediest children, these districts ranked students by test score and selected the lowest scorers. The six districts using other criteria considered such factors as teacher recommendations, past participation, and classroom grades, in addition to test scores, to select the neediest children. (See pp. 23 to 30.)

Districts Met Criteria

District officials selected for participation those schools their data indicated had the highest concentrations of poor children, as required by the act. Such data as enrollment in the Aid to Families With Dependent Children and the National School Lunch programs were used to rank and then select attendance areas. (See pp. 22 and 23.)

In the 11 districts relying on test scores, GAO used their criterion to review 4,439 placement decisions. In 4 percent of the cases, the decisions could not be justified. (See pp. 31 to 34.) In the six districts using

multiple criteria, including test scores, GAO did not determine if placement decisions met each applicable criterion, but compared 2,049 student test scores with the established cutoff score. In all but 17 cases (less than 1 percent), either there was accord or educators making the selections justified the nonconformity. For example, 136 low scorers were excluded from chapter 1 because they were in a similar program. (See pp. 35 to 37.)

States Check Applications and Visit Districts

Forty-nine state agencies said they used their review of applications for chapter 1 funds to help ensure that their school districts met student selection requirements. Forty-seven said they also used site visits to monitor compliance. But 30 agencies reported spending only 1 day in most (68 percent or more) districts during school year 1983-84. (See pp. 40 to 44.)

About 40 percent of the state agencies (21) said they had reduced their monitoring compared to the time spent under the prior title I program due to administrative funding cuts. For example, among the eight states GAO visited, a comparison of staffing levels prior to 1981 with school year 1983-84 showed staff reductions ranging from 23 to 43 percent in five states; further, four of the eight states said they had reduced their monitoring of school districts. Even though site visits and monitoring decreased, GAO found a high level of compliance with established selection criteria. GAO could not conclude, however, that such a reduction in on-site monitoring will not have some effect in the future. (See pp. 44 to 49.)

Recommendations

GAO is making no recommendations.

Agency Comments

In a November 21, 1986, letter, the Department of Education said it was pleased to learn that few errors were made in selecting students for chapter 1. In its view, the report provides important information for local, state, and federal officials to consider as chapter 1 reauthorization issues are discussed.

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Abbreviations

AFDC	Aid to Families With Dependent Children
ECIA	Education Consolidation and Improvement Act of 1981
GAO	General Accounting Office
NIE	National Institute of Education

Introduction

Over several decades, the Congress has taken actions to address problems of children from low-income families who have special educational needs. Recognizing that concentrations of such children in a school district may adversely affect the district's ability to provide appropriate instruction, the Congress gave states and school districts funds for remedial instruction. Most recently, it sought to reduce federal controls over those funds.

Initially, federal financial assistance was provided to school districts for services to educationally deprived children under title I of the Elementary and Secondary Education Act of 1965, as amended. In August 1981, the Congress replaced that legislation with chapter 1 of the Education Consolidation and Improvement Act of 1981 (ECIA), which was amended in December 1983.

The title I and chapter 1 programs differ primarily in how they are administered. With chapter 1, the Congress reduced the role of the Department of Education, asserting that federal assistance "will be more effective if education officials, principals, teachers, and supporting personnel are freed from overly prescriptive regulations and administrative burdens which are not necessary for fiscal accountability and make no contribution to the instructional programs." In addition, ECIA deleted program requirements that specific program evaluation models be used and that districts have parent advisory councils (although some form of parent involvement still is required).

ECIA also reduced funds allotted to state educational agencies for program administration from a maximum of 1.5 percent of the state's annual grant under title I to a maximum of 1 percent under chapter 1. The minimum was the same for both programs, $225,000 for smaller grants. One-third of the states were not affected by this change because they received the minimum of $225,000.

In keeping with the intent of the new law, the Department of Education reduced its oversight activities by visiting fewer state and local agencies than it had under the prior title I program. Also, it eliminated some of the program regulations as a result of the changes in the law.

Chapter 1 is the nation's largest federally funded elementary and secondary education program. For school year 1983-84, the focus of our review, $3.2 billion was appropriated for 57 state agencies and territories and about 14,000 school districts. Since 1965, when title I came into being, through school year 1985-86, the Congress has appropriated $46

billion for the program—about $23 billion from school year 1979-80 to 1985-86, as table 1.1 shows.

Table 1.1: Appropriations for the Title I and Chapter 1 Programs (1979-86)

School year	Program	Appropriations
1979-80	Title I	$3,228,382,000
1980-81	Title I	3,215,343,000
1981-82	Title I	3,104,317,000
1982-83	Chapter 1	3,033,969,000
1983-84	Chapter 1	3,200,394,000
1984-85	Chapter 1	3,480,000,000
1985-86	Chapter 1	3,688,163,000
Total		**$22,950,568,000**

During the regular term of school year 1983-84, states served about 4.9 million public school students under chapter 1. Due to funding limits, about half of the students that school districts' identified as eligible were served, according to Congressional Research Service estimates. On average, chapter 1 students received 4 hours of special instruction each week in small classes averaging about 10 students. Children from prekindergarten through 12th grade were helped, but nearly 70 percent were in grades one through six. Supplementary instruction in reading was given to 74 percent of the participants and in mathematics to 45 percent. Language arts, limited English, English-as-a-second language, and social studies were other subjects taught. As reported by 36 states, 45 percent of participants were white; 29 percent black; 22 percent Hispanic; and 4 percent American Indian, Alaskan Native, or Asian/Pacific Islander.

Funds Allocated by Formula

Chapter 1 authorizes formula grants to school districts to serve educationally deprived students who live in school attendance areas with high concentrations of children from low-income families. The Department of Education distributes the annual chapter 1 appropriation among the states and counties based on a formula that multiplies the number of statutorily defined 5- to 17-year-old children in each county by 40 percent of the average amount the state spends to educate each pupil, or not less than 80 nor more than 120 percent of the national per-pupil expenditure. To do its computations, Education primarily uses the latest decennial census data on the number of children from low-income families. For example, in the simplest case, if a state's average per-pupil expenditure were $2,000, each 5- to 17-year-old resident who met the

statutory definition would generate $800 (40 percent of $2,000) in chapter 1 grant funds for the county. To receive chapter 1 funds, the state must assure Education when applying for grant funds that its fiscal controls and fund accounting procedures comply with program requirements. (The funds allocated to states and territories for school year 1983-84 appear in app. I, with state administrative costs shown separately.)

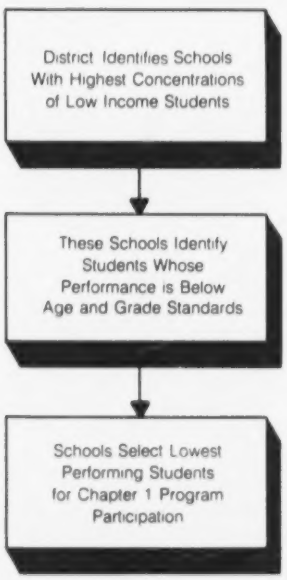
The state agency makes appropriate allocations to school districts within the counties. A school district that seeks funds for a chapter 1 project must apply to the state agency and describe the services it wishes to provide. State agencies determine what specific information school districts must present as part of their applications.

Poverty and Educational Need Determine Participating Schools and Students

Federal requirements—statutory and regulatory—for selecting participating schools and students do not specify uniform criteria that all state and local agencies must use. Within the guidelines described below, state agencies develop their own specific criteria or delegate this responsibility to their local school districts.

As under title I, selection of participants under chapter 1 is a three-step process (see fig. 1.1).

Figure 1.1: Selection of Chapter 1 Schools and Students


District Identifies Schools With Highest Concentrations of Low Income Students
These Schools Identify Students Whose Performance is Below Age and Grade Standards
Schools Select Lowest Performing Students for Chapter 1 Program Participation

For the initial step, identifying schools with the highest concentrations of low-income students, local officials generally use census, school lunch, and/or Aid to Families With Dependent Children (AFDC) data to compute the average poverty level for the district as a whole. Schools that equal or exceed the average are considered for chapter 1 services. If a school district has a uniformly high concentration of low-income children, all attendance areas may be included in the district's chapter 1 project.

For step two, identifying students who are educationally deprived—whether or not poor—chapter 1 requires school districts to assess annually the educational needs of all students in eligible attendance areas. Department of Education regulations define educationally deprived children as "children whose educational attainment is below the level that is appropriate for children of their age." For example, performance at or below the 50th percentile on a standardized test is considered below grade level and an indication of educational deprivation in 4 of the 17 school districts we visited.

According to the Department's June 1983 nonregulatory guidance, which is not binding on state agencies and school districts, a school district identifies educationally deprived children for the chapter 1 program "using criteria and information of its choice." It also states that districts may use various information sources in their determination, including standardized test scores, informal diagnoses, records of academic performance, and observations by professional staff. Most districts annually use a standardized test of reading and mathematics skills.

As to the third step, selecting students in greatest need of assistance, however, neither the law nor regulations provide guidance on how to identify them. For example, districts that rely primarily on test scores generally rank students and choose participants starting with the lowest scores.

A January 1986 report[1] by the Department of Education's National Institute of Education (NIE)[2] looked at recipients of chapter 1 services as part of a mandate contained in the 1983 amendments to the ECIA of 1981. The NIE summarized available information on the proportion and characteristics of educationally deprived children and other students receiving chapter 1 services, with particular emphasis on their test scores. Because the services are not available in all schools or at all grade levels, NIE found that many educationally deprived children were not served by the chapter 1 program. The NIE study contributes to the continuing debate about who should benefit from compensatory education—poor students, regardless of their achievement level, or low-achieving students who may or may not reside in poor areas. More is said about the NIE findings on pages 37 and 38.

We also looked at participants' test scores for this review, but focused only on children in chapter 1 schools and at three of the grade levels designated to receive chapter 1 services. Our intent was to learn whether officials in these schools properly selected program participants in accordance with established selection criteria.

[1]Poverty, Achievement and the Distribution of Compensatory Education Services, January 1986; Office of Educational Research and Improvement; Department of Education.

[2]On October 1, 1985, NIE became part of the Office of Educational Research and Improvement, Department of Education.

Objectives, Scope, and Methodology

Congressional concern that replacing title I with chapter 1 would adversely affect services to the nation's economically and educationally deprived students prompted this review. It was jointly requested by the chairmen of the House Committee on Education and Labor and the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary, on November 20, 1984. The committees were interested in how the new law was being implemented and who was ensuring that student selection requirements were met. In response to their request, we determined

- how chapter 1 students were selected;
- whether chapter 1 participants met federal, state, and local selection requirements; and
- how compliance with chapter 1 student selection requirements was assured.

To determine whether chapter 1 participants met selection requirements, we used criteria developed by state and/or local agencies, as appropriate. Neither the act nor Education's regulations provide specific or quantifiable requirements for program participation.

We also reviewed the selection of schools to receive chapter 1 funds. At each district, we looked at the procedures used in the 1983-84 school year for identifying and selecting schools. We then determined whether officials developed information on the percentage of low-income children in each school attendance area and chose participating schools having the highest concentrations of such children. We did not verify the poverty figures used by school district officials.

To determine how compliance with chapter 1 student selection requirements was assured, we concentrated on state agencies' efforts. These agencies are responsible for ensuring that their school districts comply with all applicable statutory and regulatory provisions pertaining to chapter 1.

To make these determinations, we analyzed information for school year 1983-84 from a number of sources, including the Department of Education, state educational agencies, school districts, and state and local program auditors. A large number of state agencies (57), school districts (about 14,000), and individual schools participate in the chapter 1 program. Thus, visiting a statistically representative sample of these sites would have been prohibitively expensive. Therefore, as agreed with our requesters, we judgmentally selected eight state agencies and 17 school

districts to analyze in detail. Our choice of states and school districts, and schools and students within the districts, was designed, however, to provide a broad mix of program and administrative characteristics important to an assessment of student selection and state agency oversight.

Also, in November 1984, we sent a questionnaire to 51 state educational agencies (including the District of Columbia) to obtain information on specific aspects of their administration of the chapter 1 program for school year 1983-84. All state agencies responded. The information obtained related to (1) whether state agencies changed selection guidelines as a result of the switch from title I to chapter 1, (2) whether state or local agencies had established criteria for school districts to use in selecting participants, (3) how state agencies had assured compliance with participant selection requirements, and (4) how school districts' selection procedures were monitored. (The questionnaire and the tabulated responses appear in app. II.) Except for funding figures and responses given by the eight states we visited (described below), we did not verify the information provided in the questionnaire.

From September 1984 to February 1985, we visited eight state educational agencies, 17 school districts, and 58 schools. At the state agencies, we determined what selection guidelines, if any, they had established for their school districts to follow and how they carried out their oversight and monitoring of student selection. The states in our sample and their school year 1983-84 chapter 1 allocations are shown in table 1.2.

Table 1.2: Chapter 1 Basic Grant Allocations for States Reviewed by GAO (School Year 1983-84)

State	Chapter 1 allocation
California	$251,680,000
Michigan	101,309,000
Ohio	94,264,000
New Jersey	87,067,000
Georgia	72,478,000
Massachusetts	61,123,000
Mississippi	60,134,000
District of Columbia	13,104,000
Total	**$741,159,000**

We selected states with diverse characteristics relating to level of funding, numbers of participating school districts, average per-pupil

education expenditures, geographic locations, and amounts of administrative funds. California, for example, received the most administrative money of the 51 states in 1983-84 and had among the most school districts. Mississippi had the lowest average per-pupil expenditure and the District of Columbia among the highest. We focused on these characteristics because they affect state agency oversight of school districts. (See app. III for details on the states we selected.)

The eight states visited contained about one-fourth (3,613) of the 15,600 school districts in the 51 states we surveyed. About 96 percent of the eight state districts received chapter 1 funds in school year 1983-84, amounting to 27 percent ($741 million) of the $2.7 billion awarded for basic grants to all 57 states (including the territories).

We visited school districts in the eight states to identify the criteria school officials were supposed to use to select chapter 1 schools and participants and to determine how districts complied with these criteria. Because of the large number of participating school districts in these states—1,030 in California alone—we did not study a generalizable sample of districts in each state. Instead, we judgmentally selected 17 districts for review, primarily urban, providing a range of chapter 1 funding levels. The 17 districts received about $132 million in school year 1983-84, 18 percent of the $741 million allocated to the eight states (see app. III).

In each district, we visited 2 to 4 schools for a total of 58. As a group, the 58 schools included

- some with the highest percentage of low-income students in the district;
- some with the minimum percentage of low-income students necessary to receive chapter 1 funds in that district; and
- some that had been visited recently by state agency program monitors.

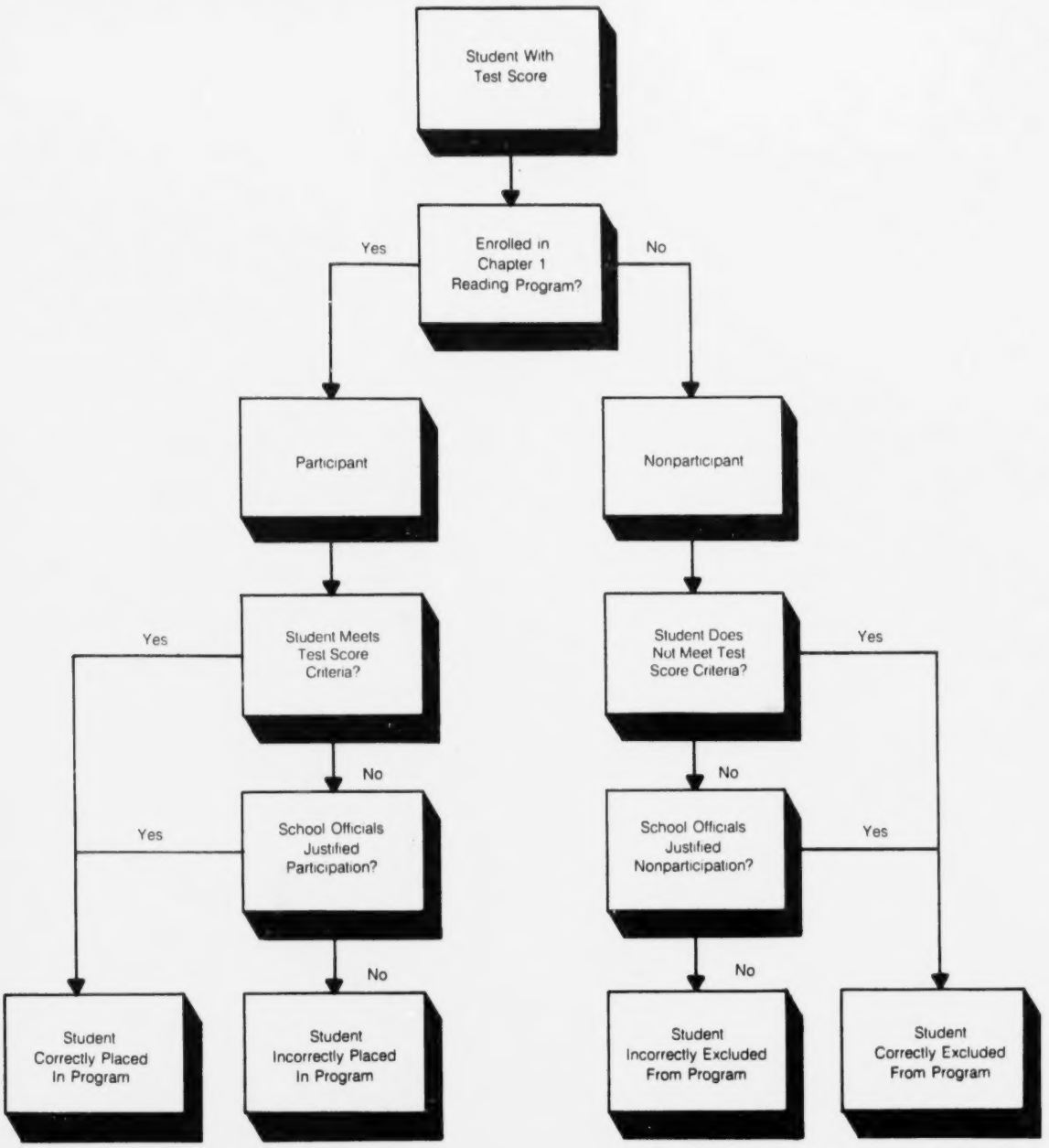
At the 58 schools, we reviewed school year 1983-84 records for the 8,218 second-, third-, and fourth-graders, historically among the predominant chapter 1 recipients. Of these, we included 8,207 in our analyses (see app. IV for additional information). We determined whether or not the students participated in chapter 1 reading or mathematics classes. Our discussion of student selection in this report, however, relates only to the reading program as (1) it had more participants, and (2) selection and participation patterns for mathematics did not significantly differ from those for reading.

Where available, we obtained students' scores on district-wide standardized tests of reading and mathematics skills conducted by each district annually. In some instances, districts excluded certain grades from the testing program for budgetary reasons. In one such district, we instead obtained classroom grades for second- through fourth-graders. Also, some districts used standardized tests other than the district-wide tests in the selection process, but we did not obtain these scores. Of the 8,207 students included in our analysis, we obtained test scores on 6,488. Test scores were not included in the files for the remaining students.

In the 11 districts that used student test scores as the primary selection criterion, we determined whether the placement of students complied with established criteria as follows. First, we compared test scores obtained from students' records to the cutoff score that districts used to identify students eligible for chapter 1. We then asked selecting officials about seemingly ineligible students who participated in chapter 1 and low-scoring, eligible students who did not. At one district in which most students did not have a test score, we used classroom grades as the basis for asking selecting officials about above-average students who participated in chapter 1 and below-average students who did not.

But in the six districts that used multiple criteria (including test scores) to identify and select students, we were unable to determine categorically whether school officials selected students in accordance with all applicable criteria. Instead, we used the district's established cutoff score to determine the degree to which those who scored below the cutoff were served by chapter 1 and those who scored above were not. As appropriate, we then asked why low scorers were not served and high scorers were (see fig. 1.2).

Figure 1.2: GAO Methodology for Evaluating Student Placement



To ensure the consistency of the information, we developed and used data collection instruments at the state, school district, and school levels. At each level, we reviewed the guidance provided to officials on identifying and selecting students for chapter 1 during the 1983-84 school year. In addition, we obtained information from state officials on their oversight activities during that year.

This review was conducted in accordance with generally accepted government auditing standards.

Criteria for Student Selection Generally Followed

Local school district officials select children to receive services under chapter 1 of the Education Consolidation and Improvement Act of 1981. First a school district must determine which of its school attendance areas have the highest concentrations of poor children. Then the district uses whatever measures it and the state educational agency believe best identify children most in need of chapter 1 services, so long as generally stated federal requirements are observed. For their selection criteria, 11 of the 17 districts in our sample used student scores on standardized tests, while 6 districts used multiple indicators, such as classroom grades, teacher recommendations, and previous participation as well as standardized test scores. Generally, the 11 school districts that relied mainly on test scores selected students who met their own standards. For the 4,439 students in these districts with reading test scores, we found that all but 188 selection decisions (4 percent) either conformed to the districts' established criteria or were based on reasonable professional judgments.

But in the six districts that had established multiple criteria (including test scores), the number and diversity of these standards made it difficult to fully validate their selection decisions. We examined records for 2,049 students with reading test scores and found that generally students who participated in chapter 1 programs had scores that were below their district's cutoff score criterion while students who did not participate had scored above the cutoff. In only 17 cases were educators making the selections unable to justify placement decisions (less than 1 percent of the 2,049 students).

Schools Properly Selected According to District Data

To receive chapter 1 services, students must live in eligible school attendance areas—those with the greatest concentrations of low-income children. (An attendance area is the geographical area in which children who normally are served by a particular school reside.) Of the 17 school districts we visited, 16 selected schools that their data showed had the highest concentrations of low-income children. One district used state rather than federal funds to provide compensatory education services to such schools. It then used chapter 1 funds at schools which its data showed had the next greatest concentrations of low-income students. (Chapter 1 permits this allocation method.)

To identify attendance areas in which low-income children are concentrated, Education encourages school districts to use the best available measure—which may be a composite of several indicators—for determining what is a low-income family. For example, a district may use (1)

data on children from families receiving Aid to Families With Dependent Children (AFDC) or (2) data on families whose children are eligible under the National School Lunch Program.

Who establishes the measures and criteria for school districts to follow in identifying school attendance areas that qualify for chapter 1 funds? Of the 51 state agencies (including the District of Columbia) answering our questionnaire, 39 said they established such guidance—21 required use of school lunch and/or AFDC data, and 18 called for a combination of income-related measures, including those based upon school lunch, AFDC, census, and/or other data.

The other 12 states, however, said they did not establish attendance area criteria, but allowed districts to develop their own. In the one such state, the two school districts we visited used AFDC data to help identify the low-income population and thus eligible attendance areas (one district also used census income figures).

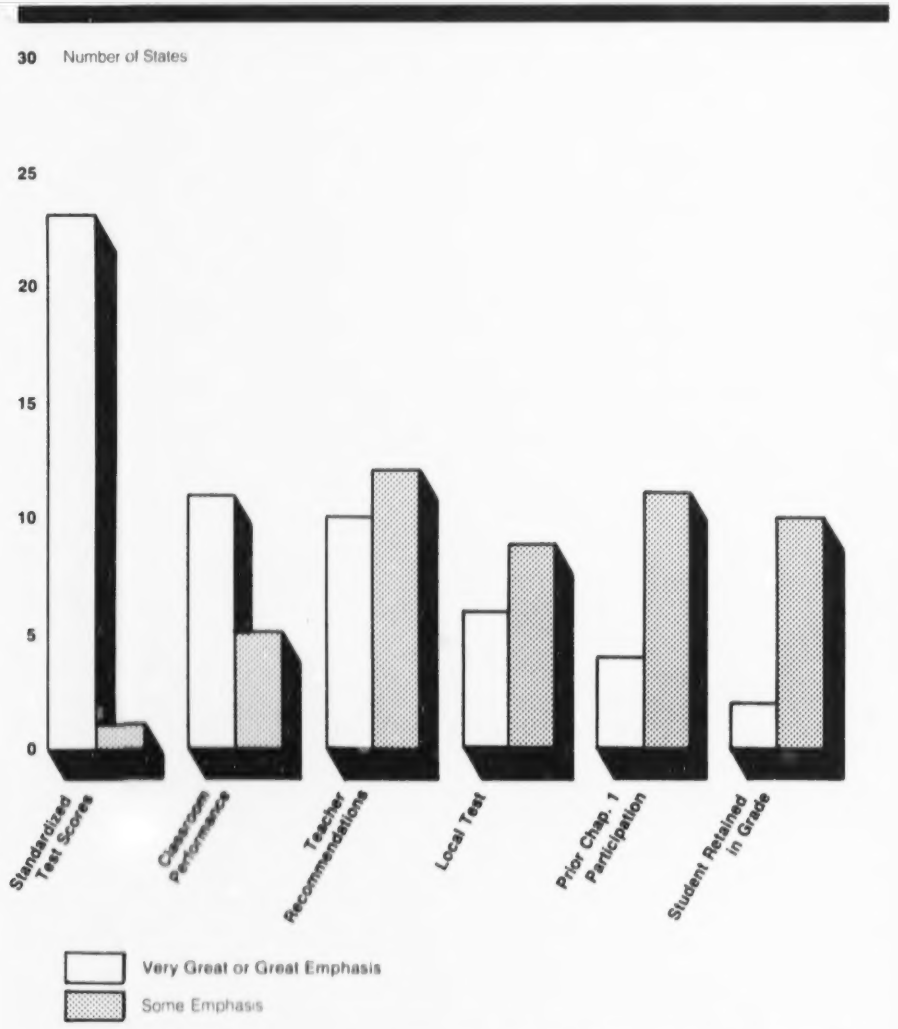
Of the 1,587 schools in the 17 districts sampled, officials reported 1,114 met their district's poverty criteria and 919 received chapter 1 funds. These 919 schools constituted 82 percent of the eligible schools, and 58 percent of all schools in the districts. The districts did not give chapter 1 money to all eligible schools because of funding constraints.

Student Selection Criteria Vary

The next step is selection of the neediest of the educationally deprived children in each chapter 1 school. School districts must conduct annual assessments of educational needs to decide which children they will serve and the types of services they will provide. But neither ECIA nor Education's regulations and guidance specify how individual students are to be selected for chapter 1 services. According to federal guidance, state agencies and school districts may use (but are not limited to) the following kinds of information to identify educationally deprived children: standardized test scores, results of informal diagnoses, records of academic performance, and observations by professional staff.

Although selection criteria may vary, test scores were used most heavily, according to results of our questionnaire sent to 51 state agencies and visits to 17 school districts. Of the 25 state agencies that established criteria for school districts to follow, 23 said they emphasized test scores to a great or very great extent. Teacher recommendations, classroom performance, and local tests each were also given great to very great emphasis, but by fewer state agencies, as shown in figure 2.1.

Figure 2.1: Relative Emphasis on Student Performance-Measures by States That Have Established Selection Criteria (School Year 1983-84)



Students' scores on standardized tests were used as the selection criterion in 11 districts we visited (the first 11 listed in table 2.1); while the other 6 were "multiple criteria" districts (designated 12-17 on the table), which used test scores in combination with other selection factors. To receive chapter 1 services, students in districts designated 12, 13, and 14 had to either score at or below the cutoff percentile on a designated standardized test or meet one of the other criteria. In the districts numbered 15, 16, and 17, students had to meet both the test score cutoff and one or more of the other criteria listed for chapter 1 selection. School

districts used various standardized tests in their selection process, as shown in appendix V.

The test score cutoff used to identify educationally deprived students for the chapter 1 program varied among the school districts we reviewed, as shown in table 2.1. It ranged from the 20th percentile in Lansing, Michigan, to the 50th percentile in four districts—Greenville, Hattiesburg, and Jackson, Mississippi, and the District of Columbia. In three of the eight states we visited—Mississippi, California, and Georgia—districts within the same state used the same cutoff score; in four states—Michigan, Ohio, New Jersey, and Massachusetts—the cutoff score differed across districts within the same state (the District of Columbia is one school district). In Newark and Trenton, New Jersey, the cutoff score varied across grade levels.

Table 2.1: Chapter 1 Eligibility Criteria in 17 School Districts Visited by GAO
(School Year 1983-84)[a]

School district	Criteria	
	Test score cutoff (percentile)	Other
1. Greenville, MS	50	None
2. Hattiesburg, MS	50	None
3. Jackson, MS	50	None
4. Detroit, MI	.[b]	None
5. Sacramento, CA	49	None
6. San Diego, CA	49	None
7. San Francisco, CA	49	None
8 Columbus, OH	36	None
9. Cleveland, OH	33[c]	None
10. Lansing, MI	20	None
11. Newark, NJ:		
Grade 2	36	None
Grade 3	26	None
Grade 4	21	None
12. District of Columbia	50	Student retained 1 year in grade; failed reading; or recommended by teacher.
13. Atlanta, GA	49	Student retained 1 year in grade; "high risk" first-grader; prior participant; or administratively placed.
14. Bibb County, GA	49	Student is one or more books behind in reading series.
15. Worchester, MA	49	Student recommended by teacher; grades poor; prior participant; or bilingual.
16. Boston, MA	40	Student recommended by teacher or prior participant.
17. Trenton, NJ: Grade 2	33	Student recommended by teacher.
Grades 3 and 4	32	Student recommended by teacher.

[a]Grades 2, 3, and 4 unless otherwise noted.

[b]A formal cutoff score was not established. School officials were instructed to identify students who scored below grade level and select those in greatest need.

[c]The state agency gave school officials in Cleveland permission to use the 33rd percentile as a cutoff score in school year 1983-84 even though the established cutoff in that year was the 36th percentile.

Eight of the 17 districts—Atlanta and Bibb County, Georgia; Lansing and Detroit, Michigan; Newark and Trenton, New Jersey; and Boston and Worchester, Massachusetts—established their own cutoff scores. The state agency established the cutoff score in nine districts—Greenville, Hattiesburg, and Jackson, Mississippi; Sacramento, San Diego, and

San Francisco, California; Columbus and Cleveland, Ohio; and the District of Columbia. We did not examine the bases leading to the establishment of the various criteria.

A detailed discussion of the selection criteria used by each of the 17 districts appears in appendix V. Nearly all the state agencies (48) and school districts (16) told us they used the same selection procedures as under the prior title I program.

Because of the differences in selection criteria, we also found differences across districts in the range of scores of program participants. For example, in Hattiesburg, Mississippi, students in chapter 1 reading had scores from the 20th percentile to the 50th percentile, as well as below the 20th percentile. In contrast, only one participant in Lansing, Michigan, scored above the 20th percentile. Similarly, in Cleveland and Columbus, Ohio, no participant scored above the 33rd or 36th percentile, respectively.

Differences in selection criteria also resulted in differences across districts in the percentages of students served in various test score ranges. For example, as shown in figure 2.2, in the Hattiesburg schools we reviewed, a majority of the students who had percentile scores from 0 to 40 participated in the chapter 1 program. The percentage of students served ranged from more than 80 percent of the students with scores from 0 to 10 to about 40 percent of the students with scores from 41 to 50. In contrast, the Lansing schools served more than 80 percent of the students with percentile scores from 0 to 20, and no students above the 30th percentile.

Figure 2.2: Percentages of Students Served by Reading Test Score in Lansing and Hattiesburg (School Year 1983-84)

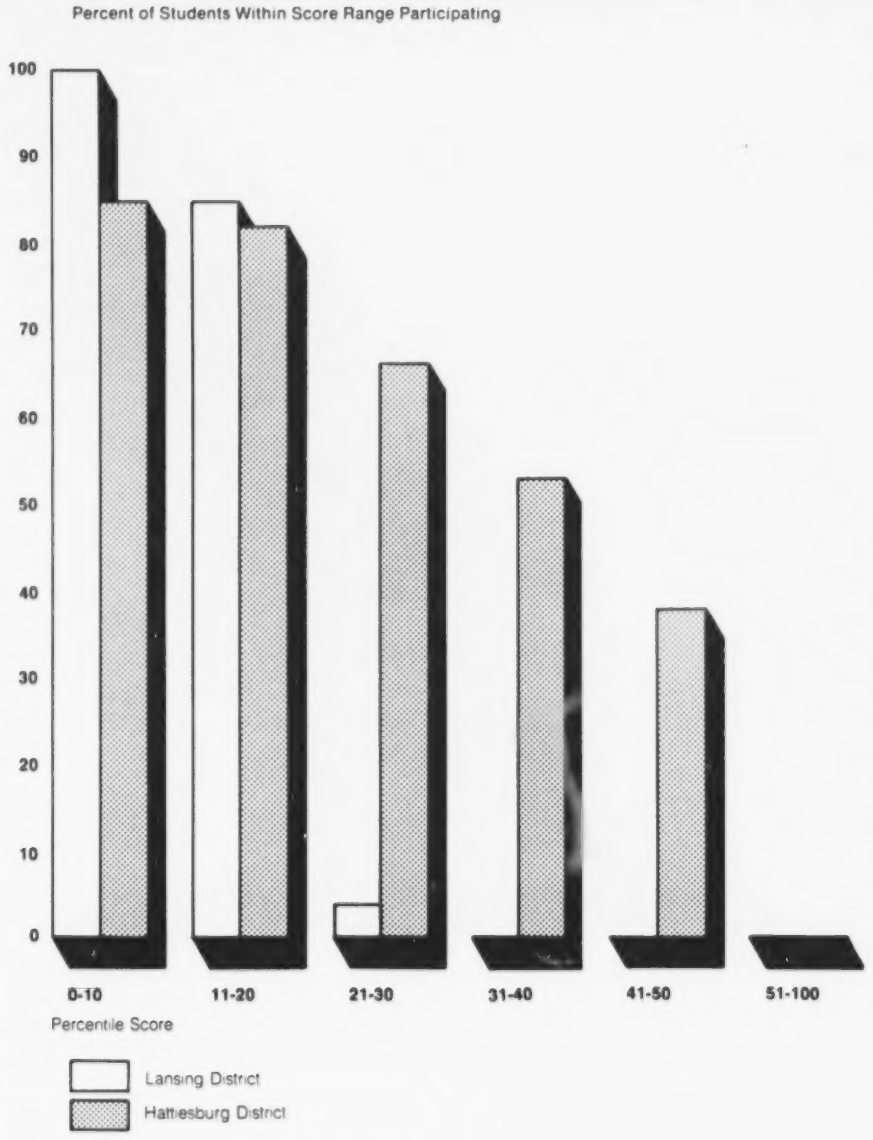
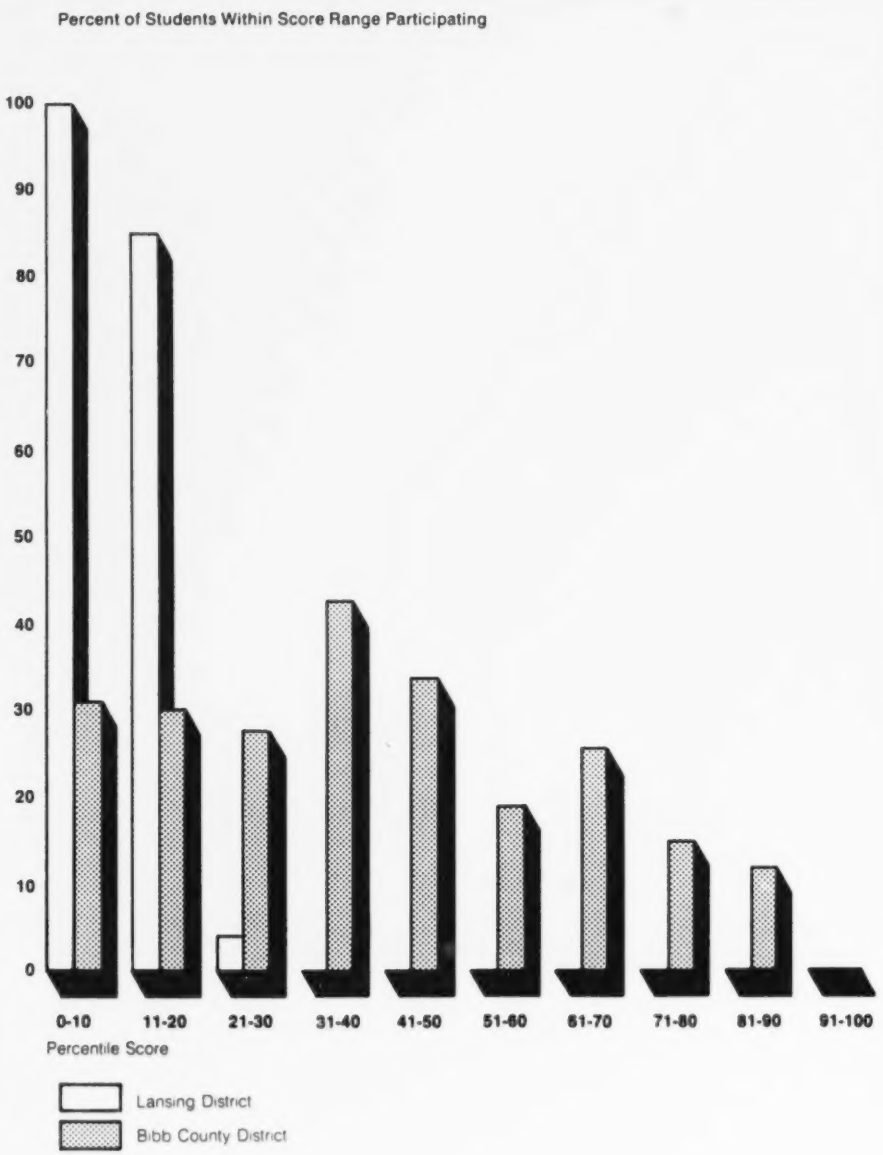


Figure 2.3 illustrates the differences in students served between a single-criterion district, Lansing, and a multiple-criteria district, Bibb County. Bibb County defined educationally deprived children as those who were one or more books behind in the district's reading series or

scored at or below the 49th percentile. Students who were behind in the reading series were served before those scoring at or below the cutoff score. The Bibb County schools in our sample served one-third of the students with percentile scores from 0 to 50 while serving 18 percent of the students with scores above the 50th percentile. (The number of students and chapter 1 participants in each test score range are shown in app. VI.)

Figure 2.3: Percentages of Students Served by Reading Test Score: Single-Criterion and Multiple-Criteria Districts Compared (School Year 1983-84)



Criteria Met in Most Test-Score-Only Selections

The school districts in our sample that relied on student test scores to identify the educationally deprived and to select the neediest generally followed their own criteria. We found relatively few erroneous placements in our 11-district sample: 3 percent of participants and 6 percent of nonparticipants.

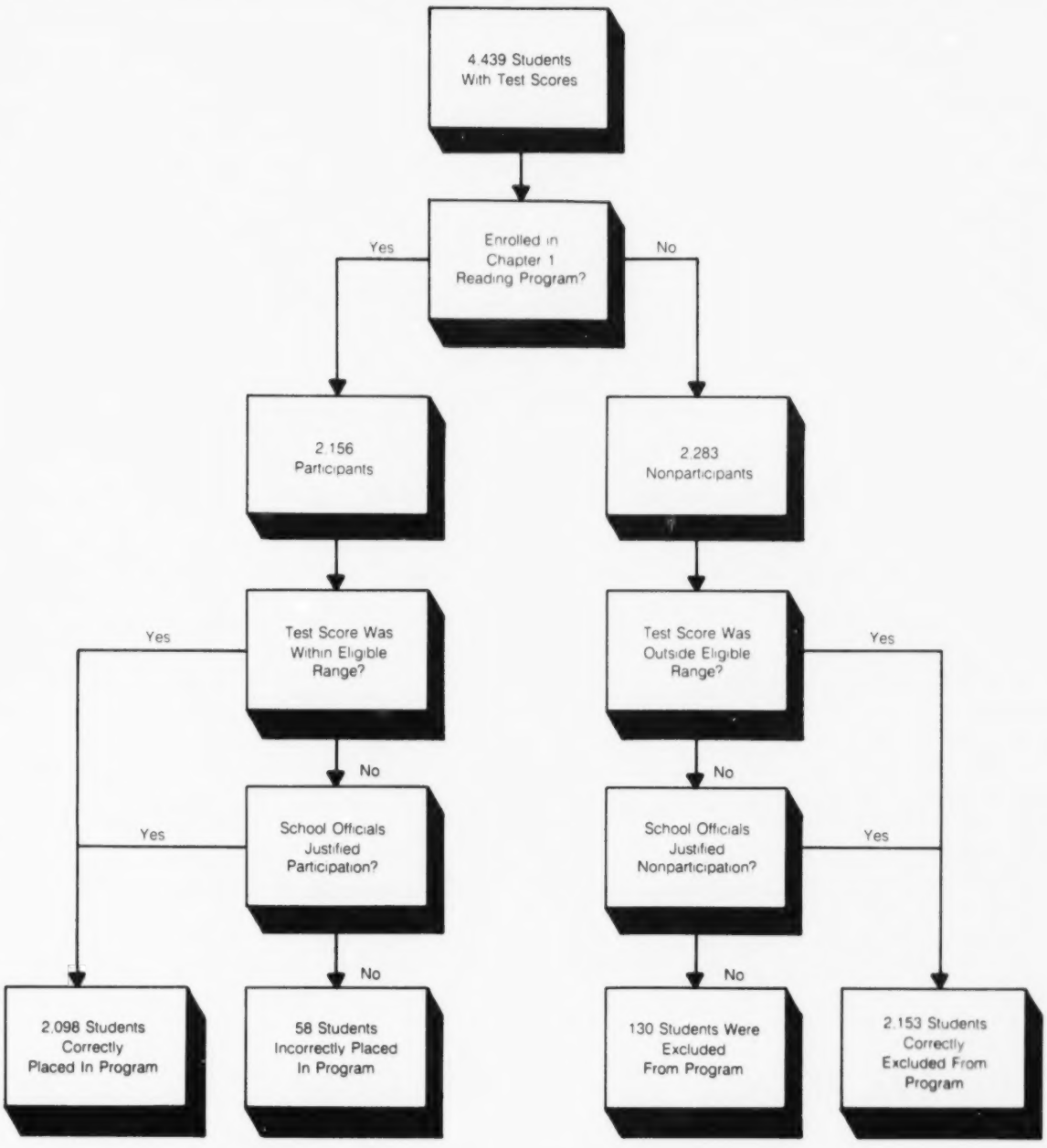
As noted earlier, the single-criterion districts sampled used cutoff scores on a standardized test to determine chapter 1 participation, selecting the lowest scoring to take part in the program. To determine whether these districts were following the established criteria, we reviewed the placement decision for each student in our sample who had a test score. Where we found an apparent discrepancy, we asked selecting officials to explain it. (For example, when a school used the 36th percentile as a cutoff score for eligibility and we found a participant had scored above the cutoff, we asked why the student participated.) If the selecting official could not provide a reasonable explanation, we categorized the decision as "erroneous."

After reviewing files on 5,859 students from 38 schools in the 11 districts, we obtained and analyzed reading test scores for 4,439 (76 percent). Test scores for the other 1,420 students (24 percent) were unavailable (although we did obtain and analyze classroom grades for 641 of these students in one district—see page 34). (Summary statistics on sample students and school officials' placement decisions appear in app. VII.)

Participants: Few Erroneously Selected

Most students in the 11 districts in our sample who were selected to participate in a chapter 1 program met established criteria (see fig. 2.4). Of the 4,439 students with test scores, the districts selected 2,156 students to take part in the local program, with the great majority scoring below the established cutoff point on a standardized test. We found only 166 of the participants who scored higher than the cutoff point, and for most of these there were mitigating factors. For only 3 percent (58 students) of these participants were selecting officials unable to give us a satisfactory reason for the exceptions. We categorized these 58 as erroneous placements.

Figure 2.4: GAO Evaluation of Placement Decisions in Single-Criterion Schools (School Year 1983-84)



As to the 108 other students who participated despite scores above the cutoff point, the reasons given by educators appeared justified. For example, "prior participation" accounted for 35—ECIA allows a student who participated in a chapter 1 program 1 year to return to it the next if school officials believe he or she is still educationally needy. For another 52 students, we accepted school officials' justifications, characterizing these placements as based on "professional judgment." Of these 52, 48 were students whose test scores the officials did not consider accurate—35 were retested by the selecting official and scored under the cutoff point.

These 11 districts placed 77 percent of their eligible students in chapter 1 classes. That is, of 5,859 students sampled in these districts, 2,568 scored below their district's cutoff, and 1,990 received chapter 1 services.

Nonparticipants: Few Excluded in Error

Were any students in the 11 districts improperly kept out of chapter 1 programs? For our sample, we found the error rate for nonparticipants (6 percent) slightly higher than that for participants (3 percent).

Of the 4,439 students with test scores whose records we examined, 2,283 were not selected to receive chapter 1 services (see fig. 2.4). To determine if these students were excluded properly, we first compared their test scores with the cutoff scores established by their school districts for eligibility, i.e., did the students score below the cutoff point? For those who did, we then compared their scores with the scores of students who did participate in the chapter 1 program. We identified 347 nonparticipants with lower test scores than participants and asked selecting officials why.

For most of the 347 students, the officials provided satisfactory reasons for nonselection. They could not, however, justify the nonparticipation of 130 students (6 percent), whose selection we therefore characterized as erroneous.

Of the 217 low-scoring nonparticipants whose exclusion we considered appropriate, 33 were served by another program, and another 34 were unavailable to be selected or to participate in the program, including 28 students who arrived after the final selection was made. In 131 cases, we characterized school officials' justifications as acceptable professional judgment. Among these were 84 students whose scores were not considered accurate and 42 for whom there was no room in the program

because others were judged more needy on the basis of other factors. For another 18, their test scores were unavailable at the time of selection.

Selections Verified by Classroom Grades

When we used a factor other than a test score to judge placements in a single-criterion district, we still found that virtually all chapter 1 selections/rejections appeared to have been appropriate. Of the 1,420 sampled students for whom we lacked test scores (and thus were excluded from the test score analysis above), we examined classroom grades for 641 students who were in one school district. These were in a district that for budgetary reasons excluded students below fourth grade from district-wide testing. In this case, if a teacher deemed a student eligible for chapter 1 services, the teacher could recommend the student for the program. Such students were then given a standardized test and those scoring below the established cutoff point were classified as eligible along with students from the district-wide testing program.

Using classroom grades in reading as a measure, we found that 573 (89 percent) seemed to have been appropriately selected or rejected. For all but 1 of the 68 questioned placements, officials provided acceptable justifications.

We asked selecting officials why 33 average and above-average students (grades of "C" and above) participated in the chapter 1 program, but 35 below-average students did not. Thirty-two of the average or above-average students were selected for participation because, despite good classroom grades, they tested below the cutoff score on the standardized test; and one student was selected because of participation at a previously attended school.

For the 35 nonparticipants with below-average grades, 1 student was selected in error and 14 were either served by another program or unavailable for selection or participation. Eleven nonplacement decisions were based on professional judgment, including nine students for whom space was unavailable because of other students considered more needy. Six students were rejected because they tested above the cutoff score and three because their scores were unavailable at the time of selection.

Error Rates Also Low in Multiple-Criteria Districts

Generally, school districts in our sample that used multiple criteria to pick students for chapter 1 participation had a very low error rate for both those they selected (1 percent) and those they excluded (less than 1 percent).

Six of the 17 districts we reviewed used multiple criteria to identify educationally deprived students and select the neediest for their chapter 1 programs. The multiple criteria included, in addition to test scores, such factors as classroom grades, teacher recommendations, and whether the student had participated the previous year. All six districts used a cutoff score on a standardized test, and three used the cutoff score as one among several selection factors. Thus, students in these districts could participate in chapter 1 even though they scored above the cutoff if they met other applicable criteria. In the other three multiple-criteria districts, students had to meet a test score criterion to be selected.

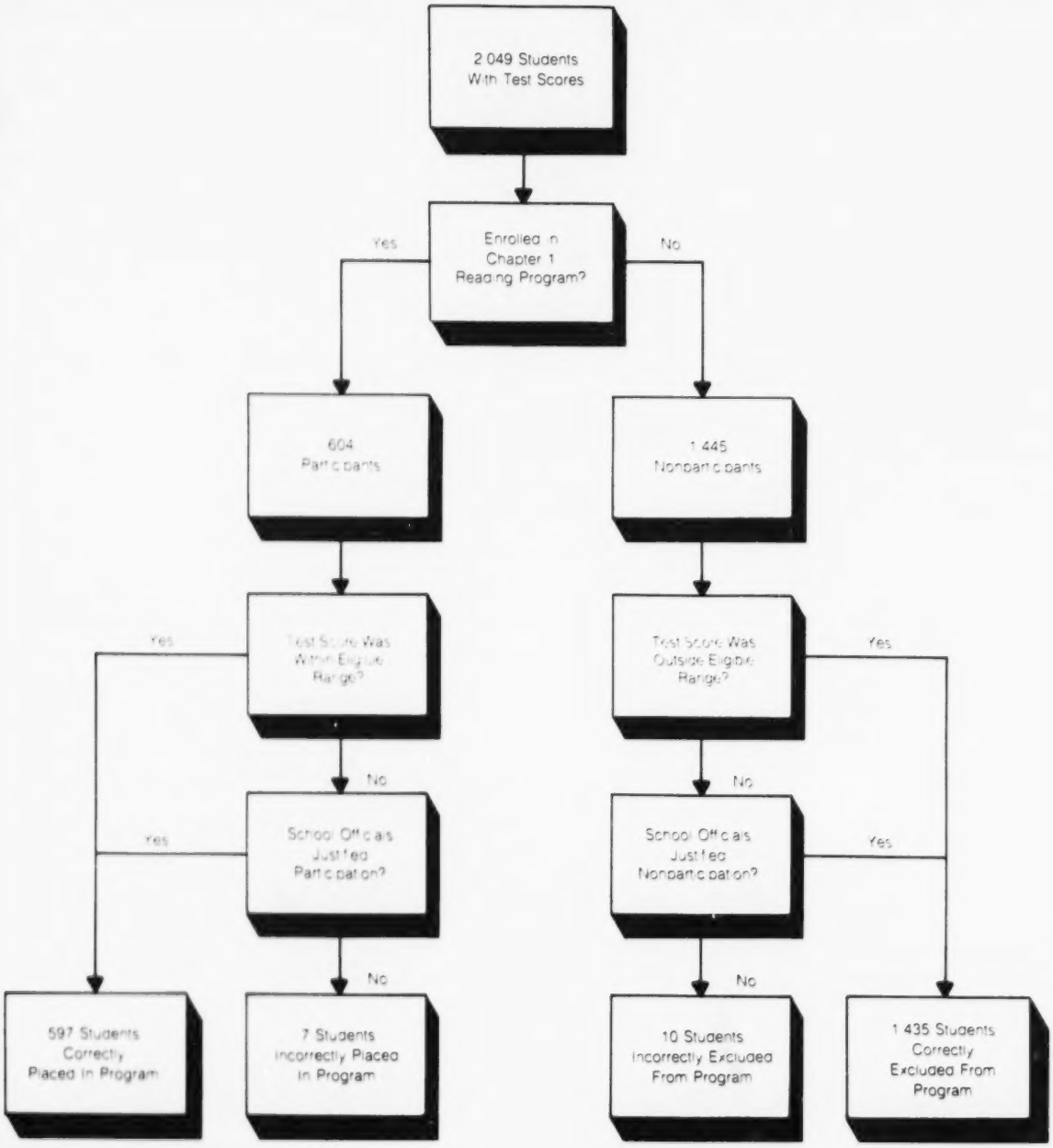
Because of the complexity of the multiple criteria, we did not attempt to determine if each selection decision met all relevant criteria. Instead, we used the established cutoff score to identify participants who scored above it and nonparticipants who scored below it and below other participants' scores. We then asked school officials to explain these placement decisions.

We reviewed files on 2,348 students in 20 schools in these six districts and obtained reading test scores for 2,049 (87 percent). After excluding the 299 (13 percent) students for whom scores were unavailable (see app. VII), we analyzed the selection decisions for the remaining 2,049, as follows.

Participants: Error Rate Low

In these six school districts, 604 of the 2,049 students with reading test scores were selected to take part in chapter 1 programs. We found 83 participants who had test scores above their district's cutoff score. Although selecting officials satisfactorily explained why most of the 83 participated, they could not justify the participation of 7 students, or about 1 percent of the 604 participants (see fig. 2.5).

Figure 2.5: GAO Evaluation of Placement Decisions in Multiple-Criteria Schools (School Year 1983-84)



To explain why 41 of the 83 high scoring students were picked, school officials referred to the districts' multiple criteria. These students were in the three districts that used several factors in addition to test scores in selection. We characterized as professional judgment the officials' justifications in 34 cases, including 20 students who qualified through a test given by a selecting official and 11 students whose test scores were considered inaccurate by school officials. Miscellaneous reasons accounted for the participation of one high-scoring student.

Nonparticipants: Error Rate Even Lower

About 70 percent (1,445) of the 2,049 students whose reading test scores we examined did not participate in chapter 1 programs. Of these, 286 students had scores that indicated they may have been more needy than some participants; that is, their scores were below the district's cutoff score and lower than some participants' scores. For only 10 students—less than 1 percent of the nonparticipants—did officials not provide satisfactory reasons for nonparticipation (see fig. 2.5).

Reasons that appeared valid for not selecting 276 low-scoring students included their having been served by another program (136 students or 48 percent), failure to meet the district's multiple criteria (42 students), professional judgment (52, including 31 students whose test scores were considered inaccurate by school officials), test score unavailable at time of selection (19), student unavailable for selection or participation (16), and other reasons (11).

Student Selection Studied by National Institute of Education

An NIE study (see p. 14) suggests that student selection for the chapter 1 program does not always result in the neediest students being served. Using 1976 test score data on a national sample of elementary school students, NIE showed that (1) 11 percent of participants scored above the 50th percentile (indicating they may not have been in need of remedial services), even though 70 percent of students in funded schools who scored below the 50th percentile were not served; and (2) 61 percent of the students in funded schools scoring below the 25th percentile were not served, whereas nearly half of those served scored above the 25th percentile.

Our review differed from NIE's in that we used applicable state and local criteria to assess student selection in each school district rather than using a test score analysis with a 50th percentile cutoff across-the-board as NIE did. If we analyze our data using the 50th percentile as a cutoff score without regard to established criteria, however, we find that about

8 percent of the participants exceeded this cutoff—about the same as NIE.

But our data produced different results from NIE's study when looking at students below the 25th percentile. Of the 1,815 students scoring in the bottom quartile in our sample, 363 (20 percent) were not served by chapter 1—compared to NIE's 61 percent. Furthermore, nearly one-third of these 363 students were served by another compensatory education program, and another 10 percent of the 363 were not served because school officials thought their test scores did not reflect their true ability.

This difference in findings reflects the fact that we focused on grade levels that received program services, while the NIE study looked at all grade levels in funded schools, whether or not served. Also, the higher scoring participants in the NIE study were not necessarily in the same schools as the lower scoring students who were not served. Our review indicates that for the most part school officials are selecting chapter 1 participants in accordance with criteria that under current rules may differ regarding cutoff points and include other factors besides test scores.

Conclusions

Districts in our sample placed chapter 1 programs in schools that, according to their data, had the highest concentrations of low-income children and, for the most part, followed their own criteria in selecting the neediest of the educationally deprived students in those schools for service. While the criteria used to select students varied among locations, all districts used test scores to some extent. Relatively few students were placed in or out of the program in error in single-criterion districts or in districts using multiple selection criteria.

School officials' explanations as to why students participated despite scores above the cutoff points included: students had participated in a prior year, their test scores were considered inaccurate by officials, a second test was administered and their score was below the cutoff point, or they met their district's multiple selection criteria. Justifications for why students with low test scores did not participate included: they were unavailable to be selected or to participate in the program, their scores were considered inaccurate by officials, they were served by another program, or they did not meet their district's multiple selection criteria.

Our review did not consider whether the Congress should tighten chapter 1 eligibility requirements to assure that the lowest scoring students across the nation are served. Rather, we looked at how the selection process was defined by state and local educational agencies under current rules and whether school officials followed their established guidelines. Our data indicate that for the most part school officials followed these guidelines.

Agency Comments and Our Evaluation

In its response to this report (see app. VIII), the Department of Education said it was pleased to learn that few errors were made in selecting students for chapter 1. The Department stated that the report provides important information for local, state, and federal officials to consider as reauthorization issues are discussed for chapter 1.

The Department noted an apparent inconsistency between the report's general conclusion and the results for Bibb County, Georgia, shown in figure 2.3. Since 18 percent of the students with percentile scores above the 50th percentile were served, the Department said it was not clear how we could say school officials made few errors selecting students.

The Bibb County results were not inconsistent because school officials used multiple selection criteria, which the district generally followed, as discussed on pages 35 through 37. Specifically, as we show in appendix V, Bibb County's selection criteria provided that the program must first serve students who were one or more books behind in the district's reading series, without regard for test scores, before serving those who scored at or below the 49th percentile on a standardized test. In this regard, of the 38 participants in Bibb County who scored at or above the 50th percentile, 23 met the district's criteria of being one or more books behind, 12 were selected on the basis of professional judgments (including 11 students whose test scores were not considered reflective of their abilities), and 3 were chosen in error.

We have expanded the report's discussion of Bibb County's selection criteria on pages 28 and 29 to clarify this matter. In discussing this point with us, one Department official said that figure 2.3 seemed to indicate that Bibb County's number-of-books-behind criterion was unrelated to test scores, which generally are used to measure educational deprivation.

States Used Various Monitoring Techniques

To monitor compliance with chapter 1 requirements in school year 1983-84, a majority of the 51 state educational agencies reported they

- reviewed school districts' applications for chapter 1 funds,
- performed on-site monitoring visits to school districts, and
- reviewed program evaluations performed by school districts.

To a lesser extent, these states also said, they relied on audits conducted by various groups.

Cuts in states' administrative funds decreased the extent of on-site monitoring during school year 1983-84, about 40 percent of the state agencies said. And of the eight states we visited, five reported having to cut staff and increase the workload of staff remaining. Staff reductions in these five states ranged from 23 to 43 percent between school years 1981-82 and 1983-84.

Compliance Monitored Through Review of Applications

The process of reviewing and approving chapter 1 applications from school districts gives state agencies a tool for ensuring compliance with program requirements. Most agencies (49) told us they relied to a great or very great extent on this method.

An eligible school district may receive chapter 1 funds, Education regulations say, if it has a state-approved application that describes the project to be conducted and includes required assurances. Regarding student selection, the district's application must assure the state that the funds will be

- spent in attendance areas having the highest concentrations of low-income children or in all attendance areas if they have a uniformly high concentration of low-income children, and
- distributed according to an annual educational needs assessment that identifies educationally deprived children in all eligible areas and ensures that those with the greatest need for special assistance are among those selected.

Projects may be approved for 3 years but school districts must update their applications if the number or needs of eligible children change substantially.

Site Visits Also Used for Monitoring

During school year 1983-84, site visits reportedly were relied upon heavily by most (47) states as a means to monitor chapter 1 compliance, but cuts in administrative funds had adversely affected this in about 40 percent of the states, our survey indicated. During these visits, most state agencies said they reviewed the processes districts followed in identifying and selecting chapter 1 students. Most school districts were not visited annually, but every other year, every third year, or less frequently. Thirty state agencies reported spending only 1 day at 68 percent or more of their districts. Individual schools were included in most or all of the site visits of 50 agencies. On average, the 51 state agencies devoted 2.4 staff years each to monitoring visits.

Student Selection, Other Factors Reviewed

Almost all state agencies said they emphasized the student selection process during monitoring visits (see table 3.1). Monitors reviewed criteria for selecting attendance areas, determining educationally deprived students (eligibility), and selecting students most in need of assistance.

Table 3.1: Emphasis on Selection Criteria Reviewed During Site Visits by State Agencies

	Extent of emphasis and number of states				
Criteria reviewed	Very great to great	Moderate to some	Little or none	No response	Total
Attendance area	48	2	•	1	**51**
Eligibility	46	4	•	1	**51**
Selection	48	1	•	2	**51**

During monitoring visits, seven state agencies we visited checked the accuracy of income data used to determine school eligibility; one did not. All eight agencies reviewed and verified the accuracy of student eligibility and participant lists and reviewed test scores and other selection factors.

Frequency, Duration, Staffing of Site Visits Vary

State agencies gave varied responses when we asked how many times they visited their chapter 1 school districts, how much time they spent at each site, whether or not they visited schools, and how many staff members they used. Overall, however, the responses indicate they visited most districts infrequently, and for about 1 day. On average, state agencies devoted less than 3 staff years to monitoring visits in the 1983-84 school year.

The numbers of times school districts were visited by state officials varied widely from state to state and sometimes within a state. Except

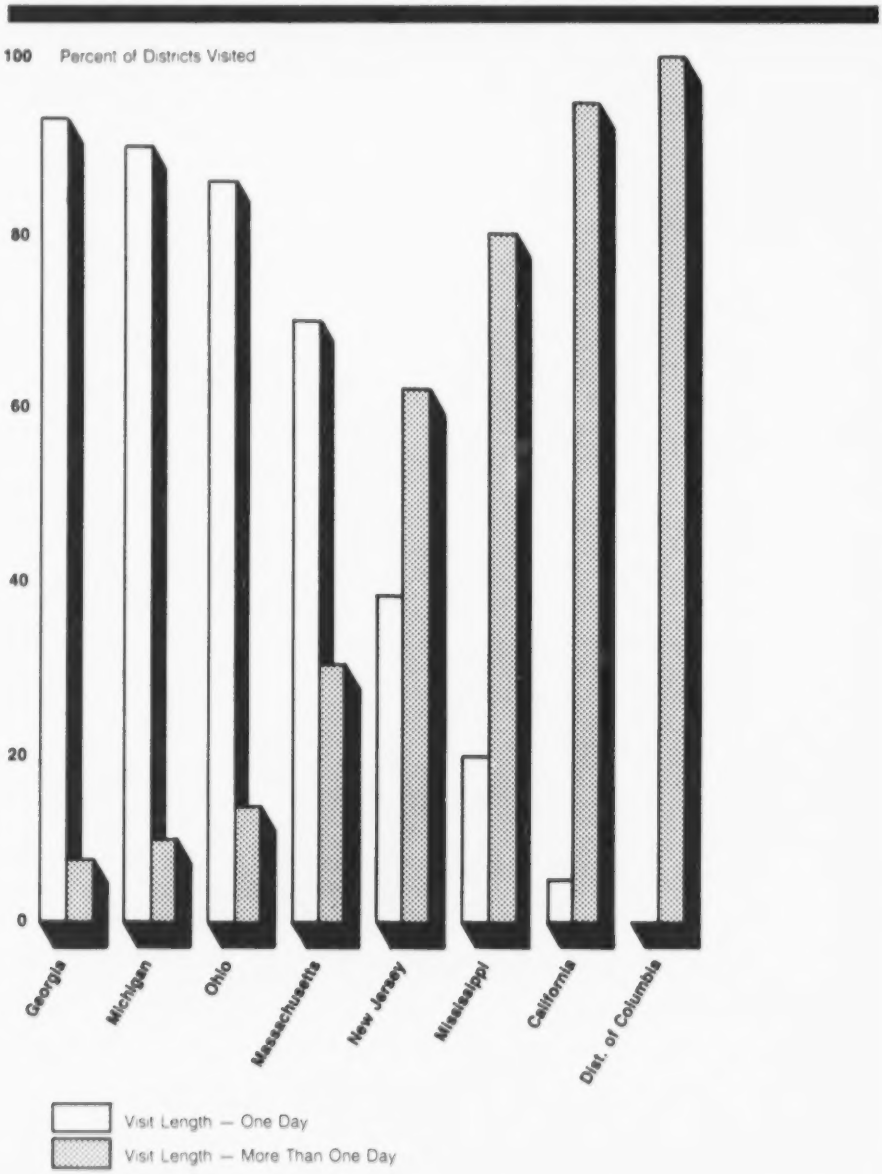
for the District of Columbia and Hawaii, each of which is considered one school district, each of the remaining 49 state agencies had more than one participating district to monitor—ranging from 1,030 in California to 15 in Nevada. Nearly a third of the states said they visited all their districts on the same fixed time interval, such as every 2 years; slightly more than two-thirds varied their schedule, visiting some districts less than others.

Thirteen state agencies monitored all their districts with the same frequency—one state agency monitored each district two or more times each year, four agencies visited each district every year, two agencies visited each district every 2 years, and six visited each district every 3 years or less frequently. Thirty-six visited their districts at varying frequencies. For example, New York, with 719 chapter 1 school districts, reported visiting 5 percent more than once a year, 5 percent once a year, 20 percent every 2 years, and 70 percent every 3 years or less frequently. North Dakota reported visiting 2 percent of its 253 chapter 1 school districts once a year, 4 percent every 2 years, and 94 percent every 3 years or less frequently. Of the remaining two state agencies, one made no visits during the 1983-84 school year and one, the District of Columbia, visited its district 12 times.

The amount of time state officials spent at each site also varied, with most state agencies estimating they spent only 1 day at 68 percent or more of their districts. Most spent 2 days at relatively few (10 percent or less) of their districts and 3-day visits were infrequent.

Of the eight states we visited, four spent only 1 day at 70 percent or more of their districts, as figure 3.1 shows. Two more spent 1 or 2 days at 68 percent or more of their districts. One state agency spent 2 or 3 days at 90 percent of its districts, but visited them infrequently (once every 3 years or more).

Figure 3.1: Length of State Agency Visits to School Districts (School Year 1983-84)



Usually, schools were visited as part of states' local monitoring efforts. Fifty state agencies included schools in their district visits, according to questionnaire responses. Officials in the eight state agencies we visited

said these school visits included reviewing student eligibility and participant lists, student test scores, teacher recommendations for program participation, report card grades, and other information used in chapter 1 selection. In all but one of the eight states, officials also used the visits to review school-district-generated data on their concentrations of low-income children.

How many staff were assigned to monitor chapter 1 school districts? This varied among the state agencies. During the 1983-84 school year, staff years devoted to site visits reported by the 51 state agencies ranged from less than 1 to as many as 13, with an average of 2.4. (State officials generally performed other duties in addition to monitoring the chapter 1 program.) Among the eight states we visited, the numbers of staff members conducting site visits ranged from 4 in the District of Columbia to 31 in New Jersey. These staff also performed other chapter 1 functions such as reviewing and approving applications and providing technical assistance. In three states, staff also monitored compliance with other federal- and state-funded programs during chapter 1 site visits, e.g., state-funded compensatory education programs (Michigan and New Jersey) and the state compensatory education and the federal bilingual education programs (California).

Monitoring Visits Decline After Funds Cut

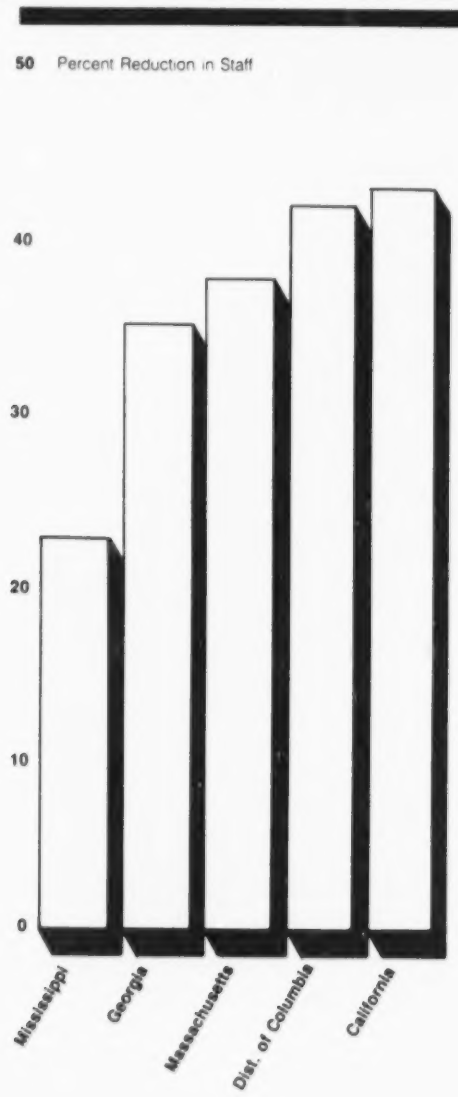
State administrative funds were initially cut in school year 1981-82, the last year of the title I program. For that year, appropriations for the program resulted in each state receiving 1.04 percent for administration instead of the maximum allowable amount of 1.5 percent of the state's annual grant. The chapter 1 program, which limited administrative funds to a maximum of 1 percent, began in school year 1982-83. For that year, each state received 0.99 percent of its annual grant for state administration of the program. This was reduced to 0.92 percent in school year 1983-84, the focus of our review.

About half of all the state agencies reduced their on-site monitoring of the chapter 1 program in school year 1983-84, compared to the time devoted to it under title I, according to our survey. Of the 25 that did so, 21 attributed the reduction to the cut in administrative funds from a maximum of 1.5 percent to a maximum of 1 percent of states' annual grants.[1]

[1]State educational agencies also receive federal funds under the chapter 2 block grant of ECIA. Some of these funds may be used to support state agency operations, including administering the chapter 1 program. Chapter 2 funds have increased from $83.1 to $92.7 million between 1982 and 1985, although not all states gained.

The same reductions in on-site monitoring and for the same reason were reported by four of the eight state agencies we visited—California, Georgia, Massachusetts, and the District of Columbia. Five (the previous four and Mississippi) reported having to cut staff and increase the workload for staff remaining. Staff reductions ranged from 23 to 43 percent since school year 1981-82, as shown in figure 3.2.

Figure 3.2: State Agency Reductions in Staff Due to Reduced Funding (School Years 1981-82 to 1983-84)



But little or no effect from the reduction in administrative funds was reported by three state agencies we visited, for the reasons indicated:

- Ohio. Unused state chapter 1 administrative funds carried over from a prior year and the state's overall chapter 1 grant for school year 1983-84 increased due to use of more current census data and an increase in Ohio's average per-pupil expenditure. Also the state's relatively low salary schedule allows maximum use of available administrative funds.
- New Jersey. Administrative funds for the chapter 1 and state compensatory education programs were combined, avoiding an adverse impact from the reduction in state chapter 1 administrative funds.
- Michigan. Use of carryover funds minimized the impact of reduced administrative funds, but that source had steadily decreased, and the chapter 1 cut was expected to result in reduced monitoring in the 1984-85 school year.

District Evaluations Used for Monitoring

Twenty-two states used program evaluations to monitor chapter 1 compliance to a great or very great extent, our survey showed. This included four of the eight states we visited— Georgia, New Jersey, Ohio, and Mississippi.

The act authorizing chapter 1 requires that school districts conduct evaluations that include objective measurements of educational achievement in basic skills and a determination of whether improved performance is sustained over a period of more than 1 year. State educational agencies must conduct a statewide evaluation of the chapter 1 program at least biennially and school districts must evaluate their programs for submission to the state at least every 3 years. But school districts no longer need to use particular evaluation models as they did under title I.

Officials Review Audit Reports

Nearly all state agencies placed less reliance on audits to monitor school district compliance with chapter 1 requirements than on other methods, we learned through our questionnaire and state agency visits. But nearly all states used audits to some extent, including the federally required "single audit" and other audits called for by the state or local educational agency, as discussed below.

Single Audit Required for Federal Funding

At the time of our review, 41 states said they had implemented the single-audit requirement (initially contained in OMB Circular A-102, Attachment P; superseded by Circular A-128, Apr. 12, 1985), according

to questionnaire responses. This requires that state and local recipients of federal financial assistance conduct an organization-wide rather than a grant-by-grant audit. Five state agencies said their single audits included only financial matters, but 35 said the audits covered compliance matters as well. Each of the 35 included in their single audits a review of school district compliance with requirements for selecting school attendance areas, and 34 states included review of compliance with requirements for identifying eligible students and selecting those most in need of assistance. (Our questionnaire did not ask state agencies to comment on compliance problems that such audits may have disclosed.)

Of the eight states we visited, seven had implemented the single-audit requirement. Three—Georgia, the District of Columbia, and California—included in it a review of selection procedures. In Georgia and the District of Columbia, auditors had to verify that students were selected according to established criteria. During 1983, 19 of Georgia's 187 school districts were audited (none were districts we visited); in the District of Columbia, one school out of several hundred was audited and 10 student files were reviewed. In California, auditors were required to determine whether participating schools contained the highest concentrations of low-income students and participants met eligibility criteria, but not to verify that participants were the neediest. The 1983 audit reports on Georgia, the District of Columbia, and the three California districts we visited disclosed no problems with student selection.

Audits Specified by Some States

Other audit requirements were imposed by 23 state agencies, we found from our questionnaire responses. About half of these audits covered selection of attendance areas (12 states), identification of eligible students (11 states), and selection of chapter 1 program participants (11 states).

All eight agencies we reviewed required audits of district chapter 1 programs, but only three required the audit to cover student selection. Georgia and California called for state audits to check compliance with school district criteria for identifying and selecting students to participate. The District of Columbia required that student files be reviewed and achievement be compared to identification and selection criteria.

Conclusions

Almost all the state agencies said they relied heavily on two methods for monitoring school district's selection of chapter 1 schools and participating students—(1) reviewing and approving districts' applications for funds and (2) conducting on-site monitoring visits. Despite this reliance on site visits, almost half the state agencies said they reduced their on-site monitoring of the chapter 1 program in school year 1983-84, compared with the time devoted to it under title I. Furthermore, 21 agencies attributed the reduction to cuts in administrative funds, including four of the eight states we visited.

Despite the reduction in state agencies' on-site monitoring, we found a high level of compliance with the established selection criteria in school year 1983-84. However, we cannot predict whether changes in compliance will occur in the future as a result of such reductions in monitoring by state agencies.

Chapter 1 Funds by State for School Year 1983-84

Numbers in thousands

Jurisdiction	Grants to school districts	State and other programs	State administration	Total[a]
State:				
Alabama	$62,749	$2,015	$597	**$65,362**
Alaska	4,974	2,609	225	**7,808**
Arizona	28,922	7,891	368	**37,181**
Arkansas	36,441	5,933	397	**42,772**
California	251,680	78,221	3,299	**333,201**
Colorado	26,171	5,544	317	**32,032**
Connecticut	27,082	5,420	325	**32,827**
Delaware	7,624	3,234	225	**11,083**
Florida	97,504	22,316	1,198	**121,018**
Georgia	72,478	5,347	778	**78,604**
Hawaii	8,632	493	225	**9,350**
Idaho	7,610	3,406	225	**11,241**
Illinois	132,508	27,918	1,604	**162,030**
Indiana	37,635	4,930	426	**42,991**
Iowa	22,740	971	237	**23,948**
Kansas	18,792	2,650	225	**21,667**
Kentucky	50,623	5,326	534	**56,482**
Louisiana	72,954	9,617	776	**83,347**
Maine	10,484	3,860	225	**14,568**
Maryland	45,995	3,509	495	**49,999**
Massachusetts	61,123	16,358	775	**78,256**
Michigan	101,309	13,123	1,144	**115,576**
Minnesota	33,894	2,156	360	**36,410**
Mississippi	60,134	3,447	584	**64,165**
Missouri	47,240	3,350	480	**51,071**
Montana	8,514	884	225	**9,623**
Nebraska	14,205	741	225	**15,170**
Nevada	4,478	1,032	225	**5,735**
New Hampshire	5,881	1,233	225	**7,339**
New Jersey	87,067	6,828	939	**94,834**
New Mexico	23,294	2,924	262	**26,480**
New York	280,628	28,753	3,094	**312,475**
North Carolina	73,350	8,394	767	**82,512**
North Dakota	6,683	725	225	**7,632**
Ohio	94,264	8,370	1,026	**103,660**
Oklahoma	30,267	3,336	336	**33,940**
Oregon	23,745	9,871	336	**33,952**

Jurisdiction	Grants to school districts	State and other programs	State administration	Total[a]
Pennsylvania	$129,714	$15,415	$1,451	**$146,580**
Rhode Island	10,182	403	225	**10,810**
South Carolina	47,892	1,834	460	**50,187**
South Dakota	8,756	346	225	**9,327**
Tennessee	56,689	1,801	585	**59,074**
Texas	166,865	65,793	2,327	**234,985**
Utah	9,290	1,421	225	**10,936**
Vermont	4,898	1,569	225	**6,692**
Virginia	56,981	2,541	562	**60,084**
Washington	32,983	11,512	445	**44,940**
West Virginia	26,869	1,037	262	**28,168**
Wisconsin	41,093	3,193	443	**44,729**
Wyoming	3,432	1,359	225	**5,016**
District of Columbia	13,104	3,072	225	**16,401**
Subtotal	**$2,588,422**	**$424,031**	**$31,814**	**$3,044,267**
Territories:				
Puerto Rico	108,000	3,405	1,114	**112,519**
American Samoa	1,475	0	50	**1,525**
Guam	1,559	223	50	**1,832**
Trust Territory	4,573	0	50	**4,623**
Northern Mariana	624	0	50	**674**
Virgin Islands	3,044	156	50	**3,250**
Other programs:				
Bureau of Indian Affairs	19,893	0	0	**19,893**
Migrant Student Record Transfer System	0	7,066	0	**7,066**
Evaluation and Studies	[b]	[b]	[b]	**4,746**
Total	**$2,727,590**	**$434,881**	**$33,178**	**$3,200,394**

[a]Does not add due to rounding.

[b]Not applicable.

State Agency Questionnaire and Responses

In November 1984, we sent questionnaires to 51 state educational agencies, including the District of Columbia, to obtain information on how specific aspects of the chapter 1 program were administered during the 1983-84 school year. All 51 agencies responded.

Department of Education officials reviewed drafts of the questionnaire to ensure correct terminology and accuracy of statements made concerning the different aspects of the chapter 1 program. The questionnaire was pretested in two states. In the first pretest, we mailed the questionnaire to a state chapter 1 official for completion, then reviewed the answers with the respondent by telephone. The second pretest was conducted on site with chapter 1 officials from another state. In both pretests, we used a standardized procedure to elicit the respondents' description of any difficulties encountered or additional considerations as they completed each item.

The questionnaire, showing state responses, follows.

U.S. GENERAL ACCOUNTING OFFICE
SURVEY OF STATE EDUCATION AGENCIES
CONCERNING CHAPTER 1 OF THE EDUCATION
CONSOLIDATION AND IMPROVEMENT ACT

THE U.S. GENERAL ACCOUNTING OFFICE (GAO) IS CONDUCTING A STUDY ON THE ADMINISTRATION OF THE CHAPTER 1 PROGRAM OF THE EDUCATION CONSOLIDATION AND IMPROVEMENT ACT. AS A PART OF THIS WORK WE ARE SURVEYING ALL STATE EDUCATION AGENICES IN THE UNITED STATES AND TERRITORIES.

THE PURPOSE OF THIS QUESTIONNAIRE IS TO OBTAIN INFORMATION FROM YOUR STATE'S CHAPTER 1 OFFICE ON HOW CERTAIN ASPECTS OF THE CHAPTER 1 PROGRAM ARE ADMINISTERED. THIS QUESTIONNAIRE FOCUSES ON THE OPERATION OF CHAPTER 1 DURING SCHOOL YEAR (SY) 1983-84 AND SHOULD BE COMPLETED BY THE PERSON RESPONSIBLE FOR ADMINISTERING THIS PROGRAM.

PLEASE COMPLETE THE QUESTIONNAIRE AS SOON AS POSSIBLE AND RETURN IT IN THE ENCLOSED, PRE-ADDRESSED ENVELOPE. GAO REPRESENTATIVES MAY CALL YOUR OFFICE AFTER YOU HAVE RETURNED THE QUESTIONNAIRE FOR LIMITED DISCUSSIONS CONCERNING ADDITIONAL ASPECTS OF CHAPTER 1. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT:

MR. ROBERT COUGHENOUR
OR
MR. HENRY MALONE
U.S. GENERAL ACCOUNTING OFFICE
ROOM 865
PATRICK V. McNAMARA FEDERAL BUILDING
477 MICHIGAN AVENUE
DETROIT, MICHIGAN 48226
(313) 226-6044

THANK YOU FOR HELPING US PROVIDE CONGRESS WITH AN ACCURATE AND COMPLETE REPORT ON CHAPTER 1.

ID(1-2)
CARD1 (3)

(SPACE FOR LABEL)

NAME OF PERSON COMPLETING QUESTIONNAIRE: _____

OFFICIAL TITLE: _____

TELEPHONE NUMBER: _____

PART I: GENERAL INFORMATION

1. WHAT WAS YOUR SEA'S TOTAL CHAPTER 1 GRANT EXPENDITURE FOR SCHOOL YEAR (SY) 1983-84 FOR THE FOLLOWING CATEGORIES?

   1. LEA BASIC GRANTS — 2,895,088 to $323,328,662 (4-11)
   2. HANDICAPPED CHILDREN (STATE SCHOOLS) — 0 to $22,739,476 (n=50) (12-19)
   3. NEGLECTED AND DELIQUENT — 46,080 to $5,380,000 (20-27)
   4. MIGRANT CHILDREN — 0 to $67,400,000 (28-35)
   5. STATE ADMINISTRATION — 174,697 to $3,093,810 (36-43)

2. WHAT WAS THE TOTAL NUMBER OF LEAs IN YOUR STATE IN SY 1983-84?

   1 to 1,099 (44-47)

3. HOW MANY LEAs RECEIVED FUNDS UNDER THE CHAPTER 1 BASIC GRANT PROGRAM IN SY 1983-84?

   1 to 1,030 (48-51)

4. APPROXIMATELY HOW MANY SCHOOL ATTENDANCE AREAS RECEIVED FUNDS UNDER CHAPTER 1 BASIC GRANT PROGRAM IN SY 1983-84?

   85 to 3,112 (n=50) (52-58)

5. WHAT WAS THE NUMBER OF FULL-TIME EQUIVALENT (FTE) STAFF YEARS THAT YOUR SEA DEVOTED TO ADMINISTERING THE CHAPTER 1 PROGRAM IN SY 1983-84?

   SY 1983-84 FTE STAFF YEARS 1.5 to 85.0 (59-61)

PART II: SELECTING SCHOOL ATTENDANCE AREAS AND CHILDREN FOR THE CHAPTER 1 BASIC GRANT PROGRAM. THE FOLLOWING QUESTIONS REFER ONLY TO THE SY 1983-84 CHAPTER 1 BASIC GRANT PROGRAM.

6. FOR SY 1983-84, DID YOUR SEA ESTABLISH CRITERIA FOR LEAs TO USE IN SELECTING SCHOOL ATTENDANCE AREAS FOR CHAPTER 1 PROGRAMS? (62)

   1. /39/ YES ——→ PLEASE GO TO QUESTION 7
   2. /12/ NO ——→ PLEASE GO TO QUESTION 9

7. LISTED BELOW ARE TYPES OF INFORMATION THAT COULD BE USED AS CRITERIA FOR DETERMINING THE CONCENTRATION OF LOW-INCOME STUDENTS IN SCHOOL ATTENDANCE AREAS. PLEASE INDICATE THE TYPE OF INFORMATION YOUR SEA DESIGNATED AS THE CRITERIA FOR LEAs TO USE IN SELECTING SCHOOL ATTENDANCE AREAS FOR CHAPTER 1 PROGRAMS IN SY 1983-84? (PLEASE CHECK ALL THAT APPLY) (63-67)

   1. /37/ FREE LUNCH DATA
   2. /26/ REDUCED LUNCH DATA
   3. /27/ AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC) DATA
   4. /13/ CENSUS DATA
   5. /12/ OTHER (PLEASE SPECIFY) _____

8. FOR SY 1983-84, DID YOUR SEA PRESCRIBE PROCEDURES FOR LEAs TO FOLLOW IN APPLYING THE CRITERIA FOR SELECTING SCHOOL ATTENDANCE AREAS FOR CHAPTER 1 PROGRAMS? (PLEASE CHECK ONE) (68)

   1. /37/ YES ——→ PLEASE GO TO QUESTION 9
   2. / 2/ NO ——→ PLEASE GO TO QUESTION 9

9. FOR SY 1983-84, DID YOUR SEA ESTABLISH CRITERIA FOR LEAs TO USE TO IDENTIFY EDUCATIONALLY DEPRIVED CHILDREN ELIGIBLE FOR CHAPTER 1 PROGRAMS? (PLEASE CHECK ONE) (69)

1. /26/ YES ——→PLEASE GO TO QUESTION 11

2. /25/ NO ——→PLEASE GO TO QUESTION 10

10. DID YOUR SEA REQUIRE LEAs IN YOUR STATE TO DEVELOP THEIR OWN CRITERIA TO USE TO IDENTIFY EDUCATIONALLY DEPRIVED CHILDREN ELIGIBLE FOR CHAPTER 1 PROGRAMS? (PLEASE CHECK ONE) (70)

1. /25/ YES ——→PLEASE GO TO QUESTION 12

2. /0/ NO ——→PLEASE GO TO QUESTION 12

11. LISTED BELOW ARE TYPES OF INFORMATION THAT COULD BE USED AS CRITERIA FOR IDENTIFYING EDUCATIONALLY DEPRIVED CHILDREN ELIGIBLE FOR CHAPTER 1 PROGRAMS. FOR EACH TYPE OF INFORMATION LISTED BELOW, PLEASE INDICATE (1) IF YOUR SEA DESIGNATED THE TYPE OF INFORMATION AS CRITERIA TO IDENTIFY EDUCATIONALLY DEPRIVED CHILDREN ELIGIBLE FOR CHAPTER 1 PROGRAMS, AND IF SO, (2) GENERALLY, THE EXTENT OF EMPHASIS YOUR SEA GAVE TO THE TYPE OF INFORMATION IN DETERMINING WHETHER CHILDREN WERE ELIGIBLE FOR CHAPTER 1 PROGRAMS IN SY 1983-84.

WAS THE INFORMATION DESIGNATED AS CRITERIA?		TYPES OF INFORMATION	VERY GREAT EMPHASIS	GREAT EMPHASIS	MODERATE EMPHASIS	SOME EMPHASIS	LITTLE OR NO EMPHASIS	
NO 1	YES 2		1	2	3	4	5	ID(1-2) CARD2(3)
/1/	/25/ IF YES ——→	1. STANDARDIZED TEST SCORES	17	8	0	0	0	(4-5)
/4/	/22/ IF YES ——→	2. TEACHER RECOMMENDATIONS	2	6	7	7	0	(6-7)
/14/	/12/ IF YES ——→	3. STUDENT RETENTION	0	2	3	3	4	(8-9)
/8/	/18/ IF YES ——→	4. STUDENT CLASSROOM PERFORMANCE	1	9	5	2	1	(10-11)
/11/	/15/ IF YES ——→	5. LOCALLY DEVELOPED ACHEIVEMENT OR COMPETENCY TEST SCORES	1	4	2	6	2	(12-13)
/9/	/16/ IF YES ——→	6. PARTICIPATION IN PROGRAM IN PREVIOUS YEAR	2	3	5	6	0	(14-15)
/11/	/5/ IF YES ——→	7. OTHER (SPECIFY) _____	2	1	2	0	0	(16-17)

12. FOR SY 1983-84, DID YOUR SEA ESTABLISH CRITERIA FOR LEAs TO USE TO SELECT CHILDREN IN GREATEST NEED OF SPECIAL ASSISTANCE TO PARTICIPATE IN CHAPTER 1 PROGRAMS? (PLEASE CHECK ONE) (18)

1. /25/ YES --------►PLEASE GO TO QUESTION 14

2. /26/ NO --------►PLEASE GO TO QUESTION 13

13. DID YOUR SEA REQUIRE LEAs IN YOUR STATE TO DEVELOP THEIR OWN CRITERIA TO USE TO SELECT CHILDERN IN GREATEST NEED OF SPECIAL ASSISTANCE TO PARTICIPATE IN CHAPTER 1 PROGRAMS? (PLEASE CHECK ONE) (19)

1. /26/ YES -------►PLEASE GO TO QUESTION 15

2. /0/ NO -------►PLEASE GO TO QUESTION 15

14. LISTED BELOW ARE TYPES OF INFORMATION THAT COULD BE USED AS CRITERIA FOR IDENTIFYING CHILDREN IN GREATEST NEED FOR SPECIAL ASSISTANCE TO PARTICIPATE IN CHAPTER 1 PROGRAMS. FOR EACH TYPE OF INFORMATION LISTED BELOW, PLEASE INDICATE (1) IF YOUR SEA DESIGNATED THE TYPE OF INFORMATION AS CRITERIA TO SELECT CHILDREN IN GREATEST NEED OF SPECIAL ASSISTANCE, AND, IF SO, (2) GENERALLY, THE EXTENT OF EMPHASIS YOUR SEA GAVE TO THE TYPE OF INFORMATION IN DETERMINING WHETHER CHILDREN WERE TO PARTICIPATE IN CHAPTER 1 PROGRAMS IN SY 1983-84.

WAS THE INFORMATION DESIGNATED AS CRITERIA?		TYPES OF INFORMATION	VERY GREAT EMPHASIS	GREAT EMPHASIS	MODERATE EMPHASIS	SOME EMPHASIS	LITTLE OR NO EMPHASIS	
NO 1	YES 2		1	2	3	4	5	
/1/	/24/ IF YES -->	1. STANDARDIZED TEST SCORES	17	6	1	0	0	(20-21)
/3/	/22/ IF YES -->	2. TEACHER RECOMMENDATIONS	6	4	6	6	0	(22-23)
/3/	/2/ IF YES -->	3. STUDENT RETENTION	2	0	2	5	3	(24-25)
/9/	/16/ IF YES -->	4. STUDENT CLASSROOM PERFORMANCE	4	7	4	1	0	(26-27)
/0/	/15/ IF YES -->	5. LOCALLY DEVELOPED ACHEIVEMENT OR COMPETENCY TEST SCORES	3	3	2	6	1	(28-29)
/9/	/15/ IF YES -->	6. PARTICIPATION IN PROGRAM IN PREVIOUS YEAR	1	3	5	5	1	(30-31)
/0/	/5/ IF YES -->	7. OTHER (SPECIFY) _____ _____ _____ _____	3	0	1	0	1	(32-33)

PART III: MONITORING ACTIVITIES

15. TO WHAT EXTENT, IF ANY, DID YOUR SEA RELY ON THE TECHNIQUES LISTED BELOW TO MONITOR LEA COMPLIANCE WITH FEDERAL, STATE AND LOCAL CHAPTER 1 REQUIREMENTS IN SY 1985-86? (FOR EACH TECHNIQUE, CHECK ONE COLUMN). (34-39)

TECHNIQUES:	VERY GREAT EXTENT 1	GREAT EXTENT 2	MODERATE EXTENT 3	SOME EXTENT 4	LITTLE OR NO EXTENT 5
1. SITE VISITS TO LEAs	35	12	1	2	1
2. REVIEW OF LEA APPLICATIONS	34	15	1	1	0
3. REVIEW OF LEA EVALUATIONS	12	10	19	10	0
4. AUDITS	9	10	16	10	5
5. INVESTIGATIONS OF COMPLAINTS MADE ABOUT AN LEA	8	4	4	13	15
6. OTHER (SPECIFY) _____ _____ _____	3	4	5	1	0

16. HOW MUCH EMPHASIS, IF AT ALL, DID YOUR SEA PLACE ON EACH OF THE FOLLOWING ISSUES WHEN MONITORING LEA CHAPTER 1 PROGRAMS IN SY 1983-84? (FOR EACH ISSUE, CHECK ONE COLUMN) (40-47)

ISSUES:	LEVEL OF EMPHASIS: VERY GREAT EMPHASIS 1	GREAT EMPHASIS 2	MODERATE EMPHASIS 3	SOME EMPHASIS 4	LITTLE OR NO EMPHASIS 5
EQUITABLE PARTICIPATION OF NON-PUBLIC SCHOOL STUDENTS	21	16	11	1	1
ASSURANCE THAT CHAPTER 1 FUNDS SUPPLEMENT, NOT SUPPLANT STATE AND LOCAL FUNDS	40	9	1	0	0
ASSURANCE THAT CHAPTER 1 SERVICES ARE COMPARABLE TO SERVICES IN NON-CHAPTER 1 AREAS	24	16	8	1	0
COMPLIANCE WITH CRITERIA FOR SELECTING CHAPTER 1 SCHOOL ATTENDANCE AREAS	36	12	2	0	0
COMPLIANCE WITH CRITERIA FOR IDENTIFYING CHAPTER 1 ELIGIBLE STUDENTS	34	12	4	0	0
COMPLIANCE WITH CRITERIA FOR SELECTING CHAPTER 1 PARTICIPATING STUDENTS	36	12	1	0	0
RECORD KEEPING PROVISIONS REQUIRED BY SEA	24	15	9	2	0
QUALITY OF INSTRUCTIONAL PROGRAM	13	19	13	1	2

17. WHAT WAS THE APPROXIMATE NUMBER OF FULL-TIME EQUIVALENT (FTE) STAFF YEARS THAT YOUR SEA DEVOTED IN SY 1983-84 TO ON-SITE MONITORING OF LEAs RECEIVING SY 1983-84 CHAPTER 1 GRANTS?

SY 1983-84 FTE STAFF YEARS DEVOTED TO LEA MONITORING 0 to 13.0 (48-50)

18. FOR SY 1983-84, WHAT WAS THE APPROXIMATE NUMBER OF TOTAL ON-SITE MONITORING VISITS MADE BY SEA STAFF?

TOTAL NUMBER OF ON-SITE MONITORING VISITS IN SY 1983-84 0 to 576 (51-54)

19. THE NUMBER OF TIMES AN LEA IS VISITED BY SEA MONITORS CAN VARY. SOME LEAs COULD BE VISITED MORE THAN ONCE A YEAR WHILE OTHERS COULD BE VISITED ONCE EVERY TWO YEARS. FOR SY 1993-94, PLEASE ESTIMATE THE PERCENT OF LEAs VISITED IN EACH OF THE CATEGORIES LISTED BELOW.

NUMBER OF TIMES MONITORED	PERCENT OF LEAs MONITORED AVERAGE	
1. MONITORED 2 OR MORE TIMES A YEAR	6.1 %	(55-57)
2. MONITORED ONCE A YEAR	31.9 %	(58-60)
3. MONITORED EVERY 2 YEARS	27.4 %	(61-63)
4. MONITORED EVERY 3 YEARS OR LESS FREQUENTLY	32.7 %	(64-66)
	98.1%	

20. THE NUMBER OF DAYS THAT SEA MONITORS SPEND AT AN LEA CAN ALSO VARY. IN SOME CASES, SEA MONITORS SPEND ONE DAY ON-SITE AND, IN OTHER CASES, SEA MONITORS SPEND THREE DAYS. FOR SY 1993-94, PLEASE ESTIMATE THE PERCENT OF LEAs MONITORED IN EACH OF THE CATEGORIES OF DAYS SPENT ON-SITE LISTED BELOW.

DAYS SPENT ON-SITE	PERCENT OF LEAs MONITORED AVERAGE	
1. ONE DAY	56.8 %	(67-69)
2. TWO DAYS	16.5 %	(70-72)
3. THREE DAYS	13.6 %	(73-75)
4. MORE THAN 3 DAYS	11.1 %	(76-79)
	98.0%	

21. ON-SITE MONITORING OF LEAs RECEIVING CHAPTER 1 FUNDS COULD TAKE PLACE SEPARATELY OR IN CONJUNCTION WITH ON-SITE MONITORING OF OTHER PROGRAMS. GENERALLY, IN SY 1993-94, DID YOUR SEA MONITOR LEAs SEPARATELY OR IN CONJUNCTION WITH OTHER FEDERAL AND STATE EDUCATION PROGRAMS. (PLEASE CHECK ONE)

ID(1-2) CARD3(3) (4)

1. /39/ CHAPTER 1 PROGRAM MONITORED SEPARATELY.
2. /1/ CHAPTER 1 PROGRAM MONITORED JOINTLY WITH OTHER FEDERAL EDUCATION PROGRAMS.
3. /4/ CHAPTER 1 PROGRAM MONITORED JOINTLY WITH OTHER STATE EDUCATION PROGRAMS.
4. /4/ CHAPTER 1 PROGRAM MONITORED JOINTLY WITH OTHER FEDERAL AND STATE EDUCATION PROGRAMS.
5. /2/ OTHER (PLEASE SPECIFY) _____

22. GENERALLY, IN SY 1993-94, TO WHAT EXTENT DID YOUR SEA CHAPTER 1 STAFF, DURING ON-SITE MONITORING VISITS TO LEAs, VISIT SCHOOL BUILDINGS IN WHICH CHAPTER 1 PROGRAMS WERE IN OPERATION? (PLEASE CHECK ONE) (5)

1. /44/ SEA STAFF VISITED SCHOOL BUILDINGS DURING ALL OR ALMOST ALL OF THE MONITORING VISITS TO LEAs.
2. /6/ SEA STAFF VISITED SCHOOL BUILDINGS DURING MOST OF THE MONITORING VISITS TO LEAs.
3. /0/ SEA STAFF VISITED SCHOOL BUILDINGS DURING ABOUT HALF OF THE MONITORING VISITS TO LEAs.
4. /0/ SEA STAFF VISITED SCHOOL BUILDINGS DURING SOME OF THE MONITORING VISITS TO LEAs.
5. /0/ SEA STAFF VISITED SCHOOL BUILDINGS DURING A FEW OR NONE OF THE MONITORING VISITS TO LEAs.

23. DID THE OVERALL AMOUNT OF TIME YOUR SEA DEVOTED TO ON-SITE MONITORING OF CHAPTER 1 PROGRAMS IN SY 1983-84 INCREASE, DECREASE OR REMAIN ABOUT THE SAME, AS COMPARED TO THE AMOUNT OF TIME DEVOTED TO THOSE ACTIVITES UNDER THE PRIOR TITLE 1 PROGRAM? (PLEASE CHECK ONE) (6)

1. /_3_/ THE AMOUNT OF ON-SITE MONITORING INCREASED ---➤PLEASE GO TO QUESTION 25
2. /_22_/ THE AMOUNT OF ON-SITE MONITORING REMAINED ABOUT THE SAME ---➤PLEASE GO TO QUESTION 25
3. /_25_/ THE AMOUNT OF ON-SITE MONITORING DECREASED ---➤PLEASE GO TO QUESTION 24

24. THE PASSAGE OF CHAPTER 1 REDUCED SEA'S ADMINISTRATIVE ALLOWANCE FROM 1.5% OF THE TOTAL CHAPTER 1 GRANT AWARD TO 1% OF THE TOTAL CHAPTER 1 GRANT AWARD, TO WHAT EXTENT, IF ANY, DID THE REDUCTION IN THE AMOUNT OF ON-SITE MONITORING RESULT FROM THE REDUCTION IN THE CHAPTER 1 ADMINISTRATIVE ALLOWANCE? (PLEASE CHECK ONE) (7)

1. /_14_/ TO A VERY GREAT EXTENT
2. /_3_/ TO A GREAT EXTENT
3. /_2_/ TO A MODERATE EXTENT
4. /_2_/ TO SOME EXTENT
5. /_4_/ TO LITTLE OR NO EXTENT

PART IV: AUDIT REQUIREMENTS

25. FOR SY 1983-84, DID YOUR STATE IMPLEMENT SINGLE AUDIT PROCEDURES IN WHICH THE CHAPTER 1 PROGRAMS OPERATING IN LEAs ARE AUDITED IN CONJUNCTION WITH OTHER FEDERAL AND STATE EDUCATION PROGRAMS? (PLEASE CHECK ONE) (8)

1. /_41_/ YES --------➤ PLEASE GO TO QUESTION 26
2. /_101_/ NO --------➤ PLEASE GO TO QUESTION 28
3. /_7_/ NOT SURE ---➤ PLEASE GO TO QUESTION 28

26. DID THE REQUIREMENTS OF THE SINGLE AUDIT INCLUDE (1) AN LEA FINANICAL REVIEW, (2) A REVIEW OF LEA COMPLIANCE WITH FEDERAL AND STATE REQUIREMENTS, OR (3) BOTH A FINANCIAL AND PROGRAM COMPLIANCE REVIEW? (PLEASE CHECK ONE) (9)

1. /_5_/ A FINANCIAL REVIEW ----➤ PLEASE GO TO QUESTION 28
2. /_0_/ A PROGRAM COMPLIANCE REVIEW ----➤PLEASE GO TO QUESTION 27
3. /_35_/ BOTH A FINANCIAL AND PROGRAM COMPLIANCE REVIEW ----➤PLEASE GO TO QUESTION 27
4. /_1_/ NOT SURE ---➤PLEASE GO TO QUESTION 28

27. DURING A SINGLE AUDIT OF AN LEA, DID THE AUDIT PROCEDURES INCLUDE A REVIEW OF LEA COMPLIANCE WITH FEDERAL AND STATE REQUIREMENTS REGARDING (1) THE SELECTION OF CHAPTER 1 SCHOOL ATTENDANCE AREAS, (2) THE IDENTIFICATION OF ELIGIBLE CHAPTER 1 STUDENTS, AND (3) THE SELECTION OF STUDENTS FOR PARTICIPATION IN CHAPTER 1 PROGRAMS? (CHECK ALL THAT APPLY) (10-12)

1. /_35_/ SELECTION OF CHAPTER 1 SCHOOL ATTENDANCE AREAS
2. /_34_/ IDENTIFICATION OF ELIGIBLE CHAPTER 1 STUDENTS
3. /_34_/ SELECTION OF STUDENTS TO PARTICIPATE IN CHAPTER 1 PROGRAMS

28. DID YOUR SEA HAVE ANY OTHER AUDIT REQUIREMENTS IN EFFECT FOR LEAs RECEIVING CHAPTER 1 FUNDS FOR SY 1983-84? (13)

1. /_13_/ YES ---➤ PLEASE GO TO QUESTION 29
2. /_28_/ NO ----➤ PLEASE GO TO QUESTION 31

29. DID THE CHAPTER 1 AUDIT REQUIREMENTS ISSUED BY YOUR SEA INCLUDE (1) AN LEA FINANCIAL REVIEW OR (2) A REVIEW OF PROGRAM COMPLIANCE WITH FEDERAL AND STATE CHAPTER 1 REGULATIONS OR (3) BOTH A FINANCIAL AND PROGRAM COMPLIANCE REVIEW? (PLEASE CHECK ONE) (14)

1. /10/ A FINANCIAL REVIEW ---> PLEASE GO TO QUESTION 31
2. / 0 / A PROGRAM COMPLIANCE REVIEW ---> PLEASE GO TO QUESTION 30
3. /12 / BOTH A FINANCIAL AND PROGRAM COMPLIANCE REVIEW ---> PLEASE GO TO QUESTION 30
4. / 1 / NOT SURE ---> PLEASE GO TO QUESTION 31

30. DURING A PROGRAM COMPLIANCE AUDIT OF AN LEA, DID THE AUDIT PROCEDURES INCLUDE A REVIEW OF LEA COMPLIANCE WITH FEDERAL AND STATE REQUIREMENT REGARDING (1) THE SELECTION OF CHAPTER 1 SCHOOL ATTENDNCE AREAS, (2) THE IDENTIFICATION OF ELIGIBLE CHAPTER 1 STUDENTS, (3) AND THE SELECTION OF STUDENTS TO PARTICIPATE IN CHAPTER 1 PROGRAMS? (PLEASE CHECK ALL THE APPLY) (15-17)

1. /12 / SELECTION OF CHAPTER 1 SCHOOL ATTENDANCE AREAS
2. / 11/ IDENTIFICATION OF ELIGIBLE CHAPTER 1 STUDENTS
3. /11 / SELECTION OF STUDENT TO PARTICPATE IN CHAPTER 1 PROGRAMS

PART V: TECHNICAL ASSISTANCE

31. THE U.S. DEPARTMENT OF EDUCATION ISSUED NONREGULATORY GUIDANCE ON THE ADMINISTRATION OF THE CHAPTER 1 PROGRAM IN JUNE, 1983. OF HOW MUCH USE WAS THE NONREGULATORY GUIDANCE CONCERNING COMPLIANCE WITH THE CHAPTER 1 LAW AND REGULATIONS? (PLEASE CHECK ONE) (18)

1. /10/ THE NONREGULATORY GUIDANCE WAS OF VERY GREAT USE
2. /20/ THE NONREGULATORY GUIDANCE WAS OF GREAT USE
3. /14/ THE NONREGULATORY GUIDANCE WAS OF MODERATE USE
4. / 3/ THE NONREGULATORY GUIDANCE WAS OF SOME USE
5. / 3 / THE NONREGULATORY GUIDANCE WAS OF LITTLE OR NO USE
6. / 1 / NOT SURE/NO BASIS TO JUDGE

32. HAS YOUR SEA RECEIVED ANY TECHNICAL ASSISTANCE OR OTHER INFORMATION, OTHER THAN THE NONGREGULATORY GUIDANCE, FROM THE U.S. DEPARTMENT OF EDUCATION CONCERNING COMPLIANCE WITH THE CHAPTER 1 LAW AND REGULATIONS? (PLEASE CHECK ONE) (19)

1. /45/ YES ----> PLEASE GO TO QUESTION 33
2. / 6 / NO -----> PLEASE GO TO QUESTION 34

33. OF HOW MUCH USE WAS THE TECHNICAL ASSISTANCE OR OTHER INFORMATION, OTHER THAN THE NONREGULATORY GUIDANCE, YOUR SEA RECEIVED FROM THE U.S. DEPARTMENT OF EDUCATION CONCERNING COMPLIANCE WITH THE CHAPTER 1 LAW AND REGULATIONS? (CHECK ONE) (20)

1. /10 / THE INFORMATION WAS OF VERY GREAT USE
2. /17 / THE INFORMATION WAS OF GREAT USE
3. /17/ THE INFORMATION WAS OF MODERATE USE
4. / 1 / THE INFORMATION WAS OF SOME USE
5. / 0 / THE INFORMATION WAS OF LITTLE OR NO USE
6. / 0 / NOT SURE/NO BASIS TO JUDGE

34. OF HOW MUCH USE TO YOUR SEA WOULD ADDITIONAL TECHNICAL ASSISTANCE OR OTHER INFORMATION, OTHER THAN THE NONREGULATORY GUIDANCE, FROM THE U.S. DEPARTMENT OF EDUCATION CONCERNING COMPLIANCE WITH THE CHAPTER 1 LAW AND REGULATIONS BE? (PLEASE CHECK ONE) (21)

1. /16/ ADDITIONAL TECHNICAL ASSISTANCE WOULD BE OF VERY GREAT USE
2. /15/ ADDITIONAL TECHNICAL ASSISTANCE WOULD BE OF GREAT USE
3. /15/ ADDITIONAL TECHNICAL ASSISTANCE WOULD BE OF MODERATE USE
4. / 5/ ADDITIONAL TECHNICAL ASSISTANCE WOULD BE OF SOME USE
5. / 0/ ADDITIONAL TECHNICAL ASSISTANCE WOULD BE OF LITTLE OR NO USE

PART VI: GENERAL IMPRESSIONS

35. FOR SY 1983-84, WERE THE PROCEDURES USED BY LEAs IN YOUR STATE TO IDENTIFY CHILDREN IN GREATEST NEED FOR SPECIAL ASSISTANCE TO PARTICIPATE IN CHAPTER 1 PROGRAMS DIFFERENT FROM THE PROCEDURES USED BY LEAs TO SELECT STUDENTS FOR PARTICIPATION IN THE PRIOR TITLE I PROGRAM? (PLEASE CHECK ONE) (22)

1. / 3/ YES ----------➤PLEASE GO TO QUESTION 36
2. /48/ NO ----------➤PLEASE GO TO QUESTION 37
3. / 0/ DON'T KNOW ---➤PLEASE GO TO QUESTION 37

36. DID THE CHANGES YOUR SEA MADE IN THE PROCEDURES USED BY LEAs TO IDENTIFY CHILDREN IN GREATEST NEED FOR SPECIAL ASSISTANCE TO PARTICIPATE IN THE CHAPTER 1 PROGRAM RESULT FROM (1) THE PASSAGE OF THE EDUCATION CONSOLIDATION AND IMPROVEMENT ACT (ECIA) OR (2) THE TECHNICAL AMENDMENTS TO ECIA? (PLEASE CHECK ALL THAT APPLY) (23-25)

1. / 1/ PASSAGE OF ECIA
2. / 2/ TECHNICAL AMENDMENTS TO ECIA
3. / 1/ OTHER (PLEASE SPECIFY) _____

_____

37. OVERALL, DOES YOUR SEA SPEND MORE, LESS OR ABOUT THE SAME AMOUNT OF TIME AND EFFORT IN REPORTING TO THE U.S. DEPARTMENT OF EDUCATION UNDER CHAPTER 1 AS YOUR SEA EXPENDED FOR THESE ACTIVITIES UNDER THE PRIOR TITLE I PROGRAM? (PLEASE CHECK ONE) (26)

1. / 1/ CHAPTER 1 REQUIRES MUCH LESS TIME AND EFFORT
2. /13/ CHAPTER 1 REQUIRES LESS TIME AND EFFORT
3. /33/ CHAPTER 1 REQUIRES ABOUT THE SAME TIME AND EFFORT
4. / 1/ CHAPTER 1 REQUIRES MORE TIME AND EFFORT
5. / 1/ CHAPTER 1 REQUIRES MUCH MORE TIME AND EFFORT
6. / 2/ NOT SURE/NO BASIS TO JUDGE

38. OVERALL, WOULD YOU SAY THAT FEDERAL REQUIREMENTS PLACED ON THE SEA UNDER THE CHAPTER 1 PROGRAM ARE MORE BURDENSOME, LESS BURDENSOME OR ABOUT EQUALLY AS BURDENSOME AS THOSE PLACED ON THE SEA UNDER THE PRIOR TITLE I PROGRAM? (PLEASE CHECK ONE) (27)

1. / 1/ CHAPTER 1 IS MUCH MORE BURDENSOME
2. / 4/ CHAPTER 1 IS MORE BURDENSOME
3. /30/ CHAPTER 1 IS ABOUT EQUALLY BURDENSOME
4. /15/ CHAPTER 1 IS LESS BURDENSOME
5. / 0/ CHAPTER 1 IS MUCH LESS BURDENSOME
6. / 1/ NOT SURE/NO BASIS TO JUDGE

39. FOR SY 1983-84, DID CHAPTER 1, INCLUDING THE TECHNICAL AMENDMENTS, PROVIDE MORE, LESS OR ABOUT EQUAL FLEXIBILITY IN SELECTING CHILDREN TO PARTICIPATE IN CHAPTER 1 PROGRAMS AS WAS PROVIDED UNDER THE PRIOR TITLE I PROGRAM? (PLEASE CHECK ONE) (28)

1. /1/ CHAPTER 1 PROVIDES MUCH MORE FLEXIBILITY
2. /6/ CHAPTER 1 PROVIDES MORE FLEXIBILITY
3. /40/ CHAPTER 1 PROVIDES ABOUT EQUAL FLEXIBILITY
4. /4/ CHAPTER 1 PROVIDES LESS FLEXIBILITY
5. /0/ CHAPTER 1 PROVIDES MUCH LESS FLEXIBILITY
6. /0/ NOT SURE/NO BASIS TO JUDGE

40. PLEASE USE THE SPACE PROVIDED BELOW TO ELABORATE ON ANY MAJOR PROBLEMS OR BENEFITS RELATED TO CHAPTER 1 THAT HAVE NOT BEEN FULLY CONVEYED THROUGH YOUR RESPONSES TO THE PRECEDING QUESTIONS. (29)

*** THANK YOU FOR YOUR COOPERATION ***

Characteristics of Eight State Agencies and 17 School Districts Reviewed by GAO (School Year 1983-84)

	Chapter 1 program—state level				Districts' participation in chapter 1		
State agency	Total chapter 1 grant[a]	State administrative allowance	State per-pupil expenditure	Program review by Education in fiscal year 1983	Total	Visited by GAO	Program allocation
California	$333,200,640	$3,299,016	$2,884	No	1,030	Sacramento	$3,441,858
						San Francisco	6,598,279
						San Diego	9,900,000
District of Columbia	16,400,562	225,000	4,603	No	1	D.C.	13,103,955
Georgia	78,604,098	778,258	2,176	No	187	Atlanta City	8,933,502
						Bibb County	2,364,073
Massachusetts	78,255,749	774,809	3,507	No	346	Boston	12,054,596
						Worchester	2,769,187
Michigan	115,576,187	1,144,319	3,521	Yes	560	Detroit	30,849,902
						Lansing	1,681,233
Mississippi	64,164,514	583,707	1,921	Yes	157	Jackson	3,235,519
						Greenville	1,208,989
						Hattiesburg	620,141
New Jersey	94,834,123	938,952	4,410	No	566	Newark	15,316,172
						Trenton	2,555,908
Ohio	103,659,566	1,026,332	2,919	No	612	Cleveland	11,356,278
						Columbus	6,434,718
Total	**$884,695,439**				**3,459**		**$132,424,310**

[a]Includes basic grant program and state programs for migrant, handicapped, and neglected or delinquent children.

Collection of Student Data: Methodology

We collected data on 8,218 students (grades two through four) at 58 schools in 17 school districts in eight states to determine if school districts were following established selection criteria. Grades two through four were selected because historically they have been among the predominant grades served by chapter 1 and title I. According to Department of Education reports, over two-thirds of program participants are in grades one through six and a significant number in grades two through four.

To ensure that we obtained consistent information for all students, we used a standardized data collection instrument to record (1) standardized test scores, (2) classroom grades, (3) whether a student was on the school's chapter 1 eligibility list, (4) whether the student participated in chapter 1, and (5) the subject in which chapter 1 service was provided. Although our analysis focused on the 1983-84 school year, we recorded data for school years 1980-81 through 1983-84 to gain a history of students' academic performance.

The number of student academic records we reviewed is shown by school district in table IV.1.

Table IV.1: Number of Student Records Reviewed

State and school district	Number of student records reviewed in Each state	Each district
California:	1,960	
Sacramento		520
San Francisco		779
San Diego		661
District of Columbia:	324	
Washington, D.C.		324
Georgia:	1,049	
Atlanta		494
Bibb County		555
Massachusetts:	610	
Boston		481
Worchester		129
Michigan:	717	
Detroit		597
Lansing		120
Mississippi:	1,713	
Greenville		545
Hattiesburg		432
Jackson		736
New Jersey:	631	
Newark		262
Trenton		369
Ohio:	1,214	
Cleveland		404
Columbus		810
Total	**8,218**	**8,218**

Of this sample of 8,218 second, third, and fourth graders, information concerning participation in chapter 1 reading and mathematics was unavailable for 11 and 3 students, respectively. Therefore, we limited our review of placement decisions to 8,207 students for reading and 8,215 students for mathematics.

Selection Criteria Used by the School Districts GAO Reviewed (School Year 1983-84)

The criteria used to select students for participation in chapter 1 programs varied among the 17 districts we reviewed. All districts used standardized test scores to some extent. The state agency established the selection criteria in six of the eight states sampled, as shown in table V.1. This appendix presents information on the nature of the various criteria used.

Table V.1: Source of Selection Criteria Used by Eight State Agencies GAO Reviewed

	Criteria established by:	
State agency	State agency	Local agency
California	X	
Ohio	X	
Mississippi	X	
New Jersey	X	
District of Columbia	X	
Massachusetts	X	
Michigan		X
Georgia		X

State-Established Criteria

The six states that established selection criteria relied either totally or in part on standardized test scores to identify and select chapter 1 participants as follows:

- California, Ohio, and Mississippi relied primarily on test scores to identify and select chapter 1 students. The percentile cutoff scores were 49, 36, and 50, respectively. (Ohio officials gave Cleveland schools permission to use the 33rd percentile in school year 1983-84.) These states instructed school officials to rank students scoring at or below the cutoff by test score and select those with the lowest scores first.
- New Jersey also used test scores to select participants but allowed districts to also use other measures, such as classroom grades and teacher recommendations to make the final selection.
- Massachusetts allowed school districts to choose their own measures for identifying eligible students, but selection decisions were to be based on test scores, teacher recommendations, or prior chapter 1 participation.
- The District of Columbia required the use of test scores (using the 50th percentile as a cutoff), teacher recommendations, retention in the same grade, or failing reading or mathematics as selection criteria.

For the latter three states, variations in the criteria are described in more detail below.

New Jersey varied the eligibility cutoff score according to the test administered, the subject being tested, and the grade level. For example, the state agency recommended that students be selected in the fourth and fifth grades if they had a score at or below the 27th percentile in reading and the 43rd percentile in mathematics on the California Achievement Test, or at or below the 16th percentile in reading and the 38th percentile in mathematics on the Iowa Test of Basic Skills. These cutoffs did not have to be rigidly adhered to in all instances. New Jersey permitted school districts to alter the cutoff point for eligibility.

The two New Jersey school districts we visited (Newark and Trenton) adopted their own eligibility scores. As shown in table V.2, Newark relied chiefly on test scores, while Trenton used test scores and teacher recommendations.

Table V.2: Chapter 1 Eligibility and Selection Criteria Developed by Two New Jersey Districts

School district	Eligibility criteria: Score at or below following cutoffs[a] Grade	Reading	Math	Other	Selection criteria
Newark	2	36	35	None	Rank students by test score and select from the bottom up.
	3	26	15		
	4	21	38		
Trenton	2	33	54	Must be	Test scores and teacher recommendations are assigned points based on need. Students in greatest need as indicated by their points are selected first.
	3	32	49	recommended	
	4	32	49	by teacher	

[a]On California Test of Basic Skills.

Massachusetts required school districts to develop criteria for identifying eligible students. To select those most in need, Massachusetts recommended that districts use three weighted indicators—test scores, prior participation in a chapter 1 program, and teacher recommendations. Each indicator was assigned points, which were totaled to arrive at a composite score. Students then were ranked on the basis of their composite scores and selected from the bottom up.

The two school districts we reviewed in Massachusetts— Boston and Worchester—used distinctly different criteria for identifying eligible students. Boston used test scores alone, but Worchester used test scores in combination with other factors. To select the neediest students, both districts used the three factors recommended by the state but the nature of the factors and the way they were used varied, as shown in table V.3.

Table V.3: Chapter 1 Eligibility and Selection Criteria Used in Two Massachusetts School Districts

School district	Eligibility criteria	Selection criteria
Boston	Students must score at or below the 40th percentile on the Metropolitan Achievement Test.	Using multifactor checklists, students must be ranked by need and selected from the bottom up. Factors include: test scores, prior participation, and teacher recommendation.
Worchester	Students must score at or below the 49th percentile on the California Test of Basic Skills and receive at least 55 points from the district's multifactor checklist. Factors include: test scores, teacher recommendations, and report card grades.	Based on points received from the checklist, students are placed in one of seven categories and selected in sequence beginning with the first category, which includes prior participants and bilingual students.

The District of Columbia required its one school district to use test scores and other factors to identify the educationally deprived and select the neediest. To be eligible, students had to meet one of four criteria:

- Score at or below the 50th percentile on a standardized test,
- Be retained in the same grade for 1 year,
- Fail reading or mathematics, or
- Be recommended by a teacher or the school principal.

School administrators then selected from the eligibility list students they believed were in greatest need of assistance.

Locally Established Criteria

Two states we visited—Georgia and Michigan—required that school districts establish their own criteria for identifying eligible students and selecting the neediest. We visited two districts in each of these states. The two Georgia districts established multiple criteria, including test scores, to identify eligible students. The Atlanta district placed students into one of five categories of need and selected students by category, beginning with those who were retained in the same grade for 1 year. Students in the first category had to be served before those in the second and each category served in sequence until no more space was available. Standardized test scores were used as a basis for selection only after students in the first through third categories were served. Students had to score at or below the 49th percentile and be among those scoring lowest.

Georgia's Bibb County district used a somewhat different approach. Students were eligible if they were one or more books behind in the district's reading series and/or six or more chapters behind in the district's mathematics series, or scored at or below the 49th percentile on the Iowa Test of Basic Skills. Selection was first based on the number of books they were behind. After these students were served, those scoring at or below the 49th percentile were selected in rank order from the bottom up (see table V.4).

Table V.4: Chapter 1 Eligibility and Selection Criteria Used in Two Georgia Districts

School district	Eligibility criteria	Selection criteria
Atlanta	Student put in one of five categories: Retained 1 year in grade. High-risk first-graders. Prior participants. Lowest test score (49th percentile cutoff on the California Achievement Test). Administratively placed.	Must serve all students in first category before serving those in next.
Bibb	Reading—one or more books behind in the district's reading series or score at or below 49th percentile on the Iowa Test of Basic Skills.	Must serve students behind in reading or math before those scoring at or below the 49th percentile.
	Math—six or more chapters behind in math series or score at or below the 49th percentile on the Iowa Test of Basic Skills.	

In Michigan, the Lansing and Detroit school districts rely primarily on test scores as a basis for identifying eligible students and selecting the neediest. Detroit, unlike Lansing, established procedures for using teacher recommendations in the absence of test scores (see table V.5).

Table V.5: Chapter 1 Eligibility and Selection Criteria Developed by Two Michigan Districts

School district	Eligibility criteria	Selection criteria
Lansing	Score at or below the 20th percentile on the Stanford Achievement Test.	Schools must serve all eligible students. If unable, must serve lowest scorers.
Detroit	Score below grade level on the California Achievement Test. If test scores unavailable, use teacher recommendations if accompanied by documented support of need for chapter 1 services.	Students must be ranked by need. Students in greatest need served first. No eligibility cutoff score was established by the district. Schools could establish their own.

The Lansing district instructed school officials to serve all students that scored at or below the 20th percentile on the Stanford Achievement

Test. If schools were unable to serve all eligible students, students were to be ranked by test score and selected from the bottom rank up.

The Detroit district required school officials to use test scores as the primary basis for student selection, with teacher recommendations allowed when test scores were not available. The district did not establish an eligibility cutoff score but allowed school officials to develop their own. The district instructed school officials to identify students who scored below grade level and select from among those in greatest need. At the four Detroit schools we visited, officials had not established cutoff scores. Instead, they selected participants based on recommendations from classroom teachers.

Number of Students in Three Districts by Reading Test Score Range and Number Participating in Chapter 1 (School Year 1983-84)

	Percentile range									
Lansing	0–10	11–20	21–30	31–40	41–50	51–100				
Participants	8	17	1	0	0	0				
Total students	8	20	24	10	16	41				
Percent participating	100.0	85.0	4.2	0.0	0.0	0.0				
Hattiesburg	0–10	11–20	21–30	31–40	41–50	51–100				
Participants	83	59	48	27	11	0				
Total students	98	72	73	51	29	97				
Percent participating	84.7	81.9	65.8	52.9	37.9	0.0				
Bibb County	0–10	11–20	21–30	31–40	41–50	51–60	61–70	71–80	81–90	91–100
Participants	17	21	18	37	26	11	16	6	3	0
Total students	54	71	64	86	77	57	61	40	25	15
Percent participating	31.5	29.6	28.1	43.0	33.8	19.3	26.2	15.0	12.0	0.0

Test Score Availability and Placement Decision for Sample Students Served and Not Served by Chapter 1 Reading Program (School Year 1983-84)

Test score availability/placement decisions	No. of students in sample		
	Served	Not served	Total
Single-criterion school districts (11)	2,429	3,430	**5,859**
Sample students without a test score	273	1,147	**1,420**
Sample students with a test score	2,156	2,283	**4,439**
Placement decisions requiring clarification	166	347	**513**
Erroneous placement decisions	58	130	**188**
Multiple-criteria school districts (6)	643	1,705	**2,348**
Sample students without a test score	39	260	**299**
Sample students with a test score	604	1,445	**2,049**
Placement decisions requiring clarification	83	286	**369**
Erroneous placement decisions	7	10	**17**
Total, all school districts (17)	3,072	5,135	**8,207**
Sample students without a test score	312	1,407	**1,719**
Sample student with a test score	2,760	3,728	**6,488**
Placement decisions requiring clarification	249	633	**882**
Erroneous placement decisions	65	140	**205**

Comments From the Department of Education

UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE ASSISTANT SECRETARY
FOR ELEMENTARY AND SECONDARY EDUCATION

21 NOV 1986

Mr. Richard L. Fogel
Assistant Comptroller General
United States General Accounting Office
Washington, D.C. 20548

Dear Mr. Fogel:

The Secretary has asked that I respond to your request for our comments on your draft report "COMPENSATORY EDUCATION: Chapter 1 Participants Generally Meet Selection Criteria."

We commend you for a well-written and easily understood report. The report provides important information for local, State, and Federal officials to consider as reauthorization issues are discussed for Chapter 1.

We are pleased to learn that the General Accounting Office (GAO) found few errors in the choice of students selected to receive Chapter 1 services. In addition, we are interested in GAO's observations concerning students who scored below the 25th percentile. Although the National Institute of Education (NIE) reported that 61 percent of these students were not served by Chapter 1, GAO found that only 20 percent were not served. Of those not served, GAO noted that one-third was served by another compensatory education program and that an additional 10 percent were not served because local school officials thought the test scores did not reflect the students' true abilities. The differences in reported findings are explained by the fact that GAO focused on grade levels that received services while NIE looked at all grade levels in participating schools. An additional explanation for the differences is that higher scoring participants in the NIE study were not necessarily in the same schools as the lower scoring students who were not served.

In our review of the report, we did note one instance of possible confusion concerning the results. On page 32, and in the accompanying Figure 2.3, you report that the Bibb County schools served "...more than 20 percent of the students with scores from 51 to 70." Figure 2.3 on page 32B actually shows that in score ranges 51-60, 61-70, 71-80, and 81-90 that approximately 18, 25, 15, and 12 percent, respectively, were served by Chapter 1. Since the scores are percentiles, it is not clear how that high a percentage of students above the 50th percentile could have been served and still permit GAO to state that few errors in selecting students were made by school districts.

If we can provide additional assistance, please let me know.

Sincerely,

Lawrence F. Davenport
Assistant Secretary

cc: Mitchell L. Laine
Assistant Inspector General for Audit

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